



London Borough of Barnet

Review of Capita Contracts

Consultation 2021

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

Kester Holmes

Focus Group Facilitators

Kelly Lock

Bryony Wilson

Fieldwork management

Acumen Field

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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.
- 1.2 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. Year 6 (CSG) and Year 7 reviews (DRS) were built in to agree any changes required before 2023 and consider any elements of the contracts that may be extended.

The commission and engagement process

- 1.3 The engagement exercise reported here was undertaken in July 2021 by Opinion Research Services (ORS) - a spin-out company from Swansea University with a UK-wide reputation for social research.
- 1.4 ORS was appointed by LBB to convene, facilitate and report on 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. Five participants attended the former and nine attended the latter, and both lasted between 1.5 and two hours.

The report

- 1.5 This executive summary summarises the focus groups findings. 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.

Main findings

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

- 1.6 Participants were generally of the view that the first principle of good customer service is accessibility, followed by attempts at resolution by responsive, knowledgeable members of staff.

- 1.7 Being kept informed of the progress of an issue/complaint was also considered essential: indeed, it was said that people understand that things take time and can accept delays if they receive regular status updates.

Not receiving good customer service has negative repercussions for individuals and organisations...

- 1.8 Poor customer service typically leads to feelings of anger and frustration for those on the receiving end, as well as lasting negative perceptions of the organisation offering it.

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their 'custom' elsewhere

- 1.9 An underlying frustration for participants when receiving what they perceive as poor customer service from the council is that short of moving to another area, they feel there is little they can do about it. Essentially, residents are at a disadvantage as they cannot take their 'custom' elsewhere as they would following poor service at, say, a retail establishment.
- 1.10 Moreover, while elected members can (and in some areas do) try and ensure services run as they should, it was argued that this should not be necessary if services are responsive and efficient – and that good customer service should not be dependent on the proactivity of councillors.

LBB's customer service is variable, but there was more negativity than praise

- 1.11 Participants in both groups highlighted their frustrations with LBB's customer service in a broad sense, from their calls not being answered/transferred and having to deal with an automated answering service, to being treated disrespectfully by council staff or having to repeat their issue many times to different people.
- 1.12 In relation to the last issue, some participants suggested a better system for recording notes from calls with members of the public and enabling the provision of progress updates. This, it was said, would give customers confidence that their queries are being logged, addressed and not 'lost in the system'.
- 1.13 In terms of specific services, highways was the one most complained about, most commonly in relation to potholes and poor maintenance of pavements. There were also significant concerns about a lack of planning enforcement, with accusations of constant (seven days a week) and/or poor-quality building work, and inadequate construction of infrastructure such as pavements – as well as about a lack of urgency and action on the part of environmental health in response to complaints.
- 1.14 This is not to say that LBB's customer service was universally considered to be poor: some services were praised, library services (in-house) and environmental health (Capita) in particular.

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

- 1.15 General public participants complained of worsening council communications during the COVID-19 pandemic, particularly around a lack or slowness of response, not being able to speak to an actual person, frustrations while using the automated answering system, and a lack of cross-department co-ordination.

- 1.16 Some participants suggested that the council and councillors have used COVID-19 as an excuse for inactivity. While understandable at the outset of the pandemic when everyone was navigating the ‘new normal’ of working from home, it was no longer considered a valid reason for non-responsiveness, especially when other sectors have successfully implemented remote working practices.
- 1.17 On a more positive note, participants again praised environmental health for its response during the pandemic, and another commended the council more generally for the way it administered the COVID-19 business grants. Communication relating specifically to the pandemic and assisting vulnerable people was also thought to be good, as was the action taken to provide for those having to shield.
- 1.18 One of the frequent engagers conceded that Capita’s ability to offer a scalable response to grant distribution has been a benefit with respect to ensuring timely financial assistance to those requiring it. However, this was considered the only benefit served by the Capita contracts since their inception.

The frequent engagers were especially critical of Capita’s performance

- 1.19 Participants - especially those in the frequent engagers group - were highly vocal in their criticisms of the Capita contracts, and indeed of Capita itself. They particularly alleged poor and impersonal customer service, a lack of openness and visibility around performance, and a serious loss of management control and accountability.
- 1.20 The frequent engagers also suggested that the power balance within the council/Capita relationship has tipped too heavily in favour of the latter. In relation to this, a specific example was given whereby a provider ‘walked away’ from the provision of clinical services for children, and there was significant concern that Capita will do the same if it ceases to make a profit from its contracts with LBB.
- 1.21 Moreover, there was suspicion (fuelled by a recent report by the independent accounting firm Grant Thornton) that the decision to outsource to Capita was, and remains, ideologically and politically driven and that the case for greater economies through outsourcing (as opposed to in-house service provision) is no longer necessarily as clear cut as it might have been.
- 1.22 Planning came in for particularly heavy criticism, especially in relation to the perceived over-development of the Borough, local asset reduction (the loss of community spaces was noted several times), a lack of transparency, and the alleged prioritisation of profit over the needs of the local area and its residents.

There was scepticism about the proposed direction of travel for certain services

- 1.23 One frequent engager had read the document outlining the proposed direction of travel for the Capita-provided services and commented that those proposed to return to council control are typically non-revenue generating, whereas Capita would retain the most profit-making service, planning. The frequent engagers were generally concerned to see this as, in their view, planning is one of the services not suited to outsourcing given their belief that local knowledge is required to properly deliver it.
- 1.24 Moreover, it was argued that other services provisionally proposed to be retained by Capita - such as Accounts Payable - have not performed sufficiently well to justify this. Again, the feeling was that saving money is the key criterion, and that this overrides any consideration of performance.
- 1.25 Capita’s management of Barnet’s cemetery at Hendon was also heavily criticised by a couple of frequent engagers, who alleged significant disrepair because of disinterest – which has, in their view, arisen as a result of the service not meeting Capita’s initial (unrealistic) expectations for revenue raising.

Outsourcing remains a controversial option for the delivery of council services

- 1.26 Some participants in the general public group highlighted the potential advantages of having a national organisation running services, arguing that for many services it matters not whether they are located locally or at a distance, especially with today's access to technology. They also supposed that an organisation like Capita would have a higher level of expertise than a local council to perform the functions required, as well as greater purchasing power to minimise costs.
- 1.27 Moreover, it was suggested that the vast majority of residents know little about how the council provides its services, nor do they care as long as the relationship is a largely transactional one.
- 1.28 On the other hand, a lack of local knowledge and accountability was considered by many participants in both groups to be a significant disadvantage of providing services through a third party like Capita – as was the potential for more emphasis to be placed on revenue generation than the needs of local residents (which the frequent engagers argued has happened as a result of the contracts).
- 1.29 Furthermore, a particular concern was that important service provision is in the hands of people with no local knowledge of or vested interest in the area. This, it was said, could lead to poorer customer service as a result of 'outsiders' having less care for what happens locally in Barnet.

Some suggestions for improvement were made

- 1.30 A couple of further specific suggestions were made for improving services and the customer response in Barnet. These included: re-visiting the terms of the Capita contract to enable the amalgamation of inter-related services (customer services and revenues and benefits for example); and LBB and Capita working to establish of a more personal (as opposed to wholly transactional) relationship between the latter and local residents.

The frequent engagers were cynical about the Review and the engagement/consultation process

- 1.31 Finally, the frequent engagers felt that the Capita Contracts Review and associated engagement/consultation process are somewhat futile inasmuch as they are unlikely to influence the proposed directions of travel (which were described as a "*done deal*"). This viewpoint has been fuelled by a feeling that the council has refused to enter into dialogue with and listen to them and other residents over recent years – as well as a perception that the findings of consultation exercises (the 2019 Capita Contracts consultation for example) are often ignored if they yield the 'wrong' answers.
- 1.32 While most of the frequent engagers said there was nothing the council could do to change their views, one did suggest that if LBB were to show willing in entering into true two-way dialogue, this would go some way to persuading them that this engagement process, and the forthcoming formal consultation, are genuine attempts to inform future service provision. They did not consider this likely though.
- 1.33 Finally, both the frequent engagers and the general public said that being as open and transparent as possible about Capita's performance to date was essential in ensuring all parties can make an informed judgement about the merits or otherwise of any formal proposals.

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.
- 2.3 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. Year 6 (CSG) and Year 7 reviews (DRS) were built in to agree any changes required before 2023 and consider any elements of the contracts that may be extended. However, owing to delays to the Year 6 review as a result of the COVID-19 pandemic, the council is now undertaking a combined review of the CSG and DRS contracts known as “*Capita Contracts Review*”, during which it will:
- Consider the council’s future needs and aspirations, and best practice from other organisations
 - Monitor performance of existing providers against contractual obligations
 - Review cost and quality of service provision
 - Analysis of alternative service providers
 - Monitor user/customer satisfaction and feedback
 - Financial cost of future delivery options.
- 2.4 The aims of the Review are outlined below.

Aims

- **Establish**
 - **The council’s long-term vision for how it provides services**
 - **The requirements for each service**
- **Understand the performance of each service in terms of quality and value for money**
- **Develop a future delivery plan for each service, post-2023**
- **Agree any changes to existing contracts between now and 2023**

The commission

- 2.5 This engagement exercise, run at an early, formative stage of the Review, was undertaken in July 2021.
- 2.6 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 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. Five participants attended the former and nine attended the latter, and both lasted between 1.5 and two hours.
- 2.7 Each meeting began with an ORS presentation to provide the contextual background information outlined above. Participants were informed that they were taking part in an engagement exercise rather than a formal consultation process, and that while LBB has agreed a proposed direction of travel for each service, that is subject to the development of formal proposals and associated business cases.
- 2.8 As such, rather than discussing any firm proposals for the provision of council services, the discussions focused on the following issues with the intention of identifying people's priorities for customer service in a broader sense:
- The principles of good and poor customer service, and its impact on individuals and organisations
 - Service quality: what council services work well currently, what improvements are needed and what might facilitate them?
 - The impacts, if any, of COVID-19 on service delivery, priorities and expectations
 - Whether or not the concerns expressed in 2019 consultation remain (participants were informed of the key findings prior to discussion)
 - Elements of the contract and management arrangements (e.g., accountability and control).
- 2.9 Participants were encouraged to ask questions throughout, and both meetings were thorough and discursive. We hope the views expressed are helpful in informing the formal proposals and business cases for the services currently provided through the Capita contracts.

The report

- 2.10 This report reviews the sentiments and judgements of participants on the discussion issues. 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. Focus Group Findings

Introduction

- 3.1 This chapter reports the views from the two deliberative focus groups with local ‘frequent engagers’ and randomly-recruited members of the public. These focus groups were held as part of a pre-consultation engagement exercise, with the formal consultation to be launched in Autumn 2021.

Main Findings

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

Not receiving good customer service has negative repercussions for individuals and organisations...

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their ‘custom’ elsewhere

LBB’s customer service is variable, but there was more negativity than praise

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

The frequent engagers were especially critical of Capita’s performance

There was scepticism about the proposed direction of travel for certain services

The frequent engagers were cynical about the Review and the engagement/consultation process

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

- 3.2 Participants were generally of the view that the first principle of good customer service is accessibility, followed by attempts at resolution by responsive, knowledgeable members of staff.

“It’s being able to contact them and get a response and when you call someone, that they actually answer – that’s the crucial first step of good customer service” (General public)

“I expect them to answer the phone, for someone to have knowledge and responsibility on the other end and to be able to deal with the issue” (Frequent engagers)

“I should expect a quality service and responsiveness dealing with issues that affect me ...” (Frequent engagers)

“Taking action is quite important, especially if it’s to do with a complaint ...” (General public)

“Customer Service to me is about a dialogue. People have issues and questions that they raise and expect them to be resolved” (Frequent engagers)

- 3.3 Being kept informed of the progress of an issue/complaint was also considered essential: indeed, it was said that people understand that things take time and can accept delays if they receive regular status updates.

“When you are calling and asking for a service ... you want someone to be human and to look into it. I think that it’s ok if they take time to resolve it, but as long as you know someone is on it ...” (General public)

I think it’s all about communication, keeping you updated ... In reality you need to appease the customer and make them feel as if they are in the loop and know the progress ...” (General public)

Not receiving good customer service has negative repercussions for individuals and organisations...

- 3.4 Poor customer service typically leads to feelings of anger and frustration for those on the receiving end, as well as lasting negative perceptions of the organisation offering it.

“When you see customer service that is poor it can really enrage you ... it becomes a personal experience ...” (General public)

“... you get very frustrated and on the rare occasion you get to speak to a human you take it out on them” (General public)

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their ‘custom’ elsewhere

- 3.5 An underlying frustration for participants when receiving what they perceive as poor customer service from the council is that short of moving to another area, they feel there is little they can do about it. Essentially, residents are at a disadvantage as they cannot take their ‘custom’ elsewhere as they would following poor service at, say, a retail establishment.

“(I would expect) politeness and feedback and a response ... I made a call to complain about parking on pavements ... and the person I spoke to was quite dismissive... no feedback, no response at all, so nothing happened ... The responsiveness was severely lacking and unfortunately with councils, it’s not like going to the shops where you can walk to another shop. Barnet have me by the short and curlies for good and for worse” (General public)

“At least with a commercial supplier you have the choice of going to them or not but with a borough you don’t have that choice ...” (General public)

“We are not customers. We can’t walk out and say, ‘I’m not giving you my business’ ...” (Frequent engagers)

- 3.6 Moreover, while elected members can (and in some areas do) try and ensure services run as they should, it was argued that this should not be necessary if services are responsive and efficient – and that good customer service should not be dependent on the proactivity of councillors.

“The one thing we have here, and it may not be in the whole Borough, is amazing councillors ... it seems to be that the councillors will raise a query and the officials have a bomb put under them and solve problems” (General public)

“You shouldn’t have to ... pay for the service and then forcefully have to back it up with councillors” (General public)

“Some people have said they don’t have a concern because they have a very proactive councillor but resorting to your councillor should be the last resort, not the first. The first resort should be to speak to a member of Barnet staff who deals with your problem. Why should I have to berate my councillor? The whole thing seems to be arse backwards” (General public)

LBB’s customer service is variable, but there was more negativity than praise

- 3.7 Participants in both groups highlighted their frustrations with LBB’s customer service in a broad sense, from their calls not being answered/transferred or having to deal with an automated answering service, to being treated disrespectfully by council staff or having to repeat their issue many times to different people. Some typical comments are below.

“All of us have had to call Barnet one time or another and gone through the automated service and have to speak to a robot who 1) can’t understand what you are saying, and you are trying to say a postcode and it doesn’t get it and 2) when you are finally put through to an operator they put you back to the same robot and it feels like you are going round in circles ... ” (General public)

“... I feel personally quite detached from the council ... I feel like there is no presence and that they are not accessible. When I call them then I never get put through to anybody and then ... months later I feel that nothing been resolved still” (General public)

“... You spend an inordinate amount of time chasing people you will never see, and councillors are in a hurry not to respond to you ...” (Frequent engagers)

“Anyone who phones the council will immediately fall into the dark abyss of the Capita run phone service which is and always has been appalling ...” (Frequent engagers)

“... I have had times when I’ve called Barnet Council and been told that the systems are down, so they can’t take any information, or everything is missing ... it’s an issue because somehow information is being lost...” (General public)

“I’ve had dealings with the revenue teams and there’s just some disconnect ... You can have a conversation with one person and if you call back tomorrow then they have no idea ... sometimes it feels like you have to do a detective work in case something goes wrong... you need to be the proactive one and do the leg work ... (General public)

- 3.8 In relation to the last issue, some participants suggested a better system for recording notes from calls with members of the public and enabling the provision of progress updates. This, it was said, would give customers confidence that their queries are being logged, addressed and not ‘lost in the system’.

“I think it helps if there is an audit trail ... and some sort of system to record things so you have someone who is following up. Sometimes you call and you have to explain everything from scratch and it’s frustrating” (General public)

“An experience I had last week was of someone fly tipping a fridge in the road. I used their reporting tool on the website, which was fine, but my one complaint was the lack of communication. I got a confirmation email to say my complaint had been received but there was no sign of 'we will do this in a certain time frame'. It was done eventually but it would be very nice to have, and I don’t think it would cost a lot of money, an update to say we hope to do this on e.g., Wednesday, or even to say your fly tipping has now been collected and we are closing the case. Once it’s logged you hear nothing at all” (General public)

- 3.9 In terms of specific services, highways was the one most complained about – most commonly in relation to potholes and poor maintenance of pavements. There were also significant concerns about a lack of planning enforcement, with accusations of constant (seven days a week) and/or poor-quality building work, and inadequate construction of infrastructure such as pavements – as well as about a lack of urgency and action on the part of environmental health in response to complaints.

“Highways and potholes is a big issue in Barnet. They might have to reconsider Capita’s contract there because they are not fulfilling their obligation to us as a community” (General public)

“... Building is going on ad infinitum on a Sunday, so it’s seven days a week and there’s no enforcement at all they spend fortunes re-doing the road and the pavements and yet some of it looks like the Somme. So, we are just wasting tax-payers money...” (General public)

“There’s a lack of enforcement. Even minor things, you know, people nicking strips of land, pavements being wrecked ... various teams not communicating ...” (General public)

“I did complain once to Environmental Health when there were builders a few doors down ... burning wood and timber in the back garden and there were plumes of smoke travelling across our neighbourhood. Environmental Health were so slow and there was no resolve ... and it was very disheartening. This was during COVID as well which, with respiratory disease, it must have caused an issue for everybody” (General public)

- 3.10 This is not to say that LBB’s customer service was universally considered to be poor: some services were praised, library services (in-house) and environmental health (Capita) in particular.

“The library service... they are trying extremely hard. The people there are just so nice and they are trying to provide a service within the limitations of COVID” (General public)

“I phoned Environmental Health due to an issue with the brook at back of my house. We phoned in the morning and by the afternoon they came and fixed it and even followed up the next week so actually it was a really positive and quick experience” (General public)

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

- 3.11 General public participants complained of worsening council communications during the COVID-19 pandemic, particularly around a lack or slowness of response, not being able to speak to an actual person, frustrations while using the automated answering system, and a lack of cross-department co-ordination.

“Due to COVID restrictions, no-one answers the phone, so you’d be hanging on for ages ... that’s the thing that’s been most apparent in the last year and a half ... I was trying to help my mum with issues to do with Barnet Council and we couldn’t get hold of anyone ... It was a nightmare trying to speak to the council. Eventually we did but it took ages ... because of COVID it’s made it even worse because you can’t talk to anyone... I wanted to call for other reasons and I thought, you know what, there’s no point ... There’s something wrong that needs addressing ... it’s very frustrating ...” (General public)

“I just haven’t been able to speak to a human since the pandemic ... it’s got worse since lockdown ... and it’s very frustrating ... If you send an email there’s no reply and if you call you can’t speak to a human being ...” (General public)

“At the moment it feels very robotic, and you can’t get through to anyone and you are usually hanging on the phone ages before you get any contact ... There isn’t any customer service. It’s obviously to do with COVID because people are working from home” (General public)

“I had some issues with the Revenues and Benefits service because of furlough problems. The stress it caused ... you have several different people talking to each other, again the communications between teams and even people in the same team not knowing what’s what ... Also, the communication: revenues and benefits don’t necessarily talk to the disabled side of stuff because although they are connected, they are completely separate, so you have your carers allowance and your normal benefits, and your disability benefits and they don’t interlink ... and they need that communication” (General public)

- 3.12 Some participants suggested that the council and councillors have used COVID-19 as an excuse for inactivity. While understandable at the outset of the pandemic when everyone was navigating the ‘new normal’ of working from home, it was no longer considered a valid reason for non-responsiveness, especially when other sectors have successfully implemented remote working practices.

“Covid has been an excuse for the council to go to sleep. I reported to a councillor... that a household nicked a strip of land, and nothing’s been done and that was a year and a half ago. COVID has been used as an excuse for some of the services to go comatose” (General public)

“The councillors have sat at home on their sofas keeping safe ... they are still (as I understand it) not holding surgeries, even virtually. They are invisible, they are unaccountable” (Frequent engagers)

“... I work in the legal sector and if I can manage to attend a supreme court trial from my home office, why can’t I contact Barnet Council? I don’t think that COVID can be an excuse. Maybe in the first few weeks of the pandemic that’s fine, but we have been working from home for 16 months and it’s no longer a valid excuse” (General public)

- 3.13 One frequent engager also criticised the way in which residents’ forums have been conducted during the pandemic, which, in their view, disenfranchises members of the public who wish to participate.

“The residents’ forums are a farce, attending meetings during Covid ... I had to object to the planning application for a neighbouring property and my only way of participating, they make you speak on a phone. They wouldn’t even allow you on a Zoom thing and you weren’t able to challenge [anything]. They don’t listen” (Frequent engagers)

- 3.14 On a more positive note, participants again praised environmental health for its response during the pandemic, and another commended the council more generally for the way it administered the COVID-19 business grants. Communication relating specifically to the pandemic and assisting vulnerable people was also thought to be good, as was the action taken to provide for those having to shield.

“Through all of it the one [service] that I’ve not had an issue with is environmental health. They have been on it every time I’ve had to call them” (General public)

“With regards to the grants ... I think they’ve been very good with them ... and from my personal experience and from the experience of other people in my sector, Barnet have been probably one of the best councils in London ... ” (Frequent engagers)

“Their communication about ... COVID-related things and echoing what the government have been saying has been pretty good. The different initiatives ... the magazine and the emails from Barnet Council, the communication is pretty good ... the public health things and also giving a positive spin with nice stories about local heroes and the NHS and local people doing wonderful works. That’s been very nice to see” (General public)

“When people had to shield, they did really well communicating to residents and they moved really quickly about food boxes ... to make sure vulnerable people had provisions ... On that front they did really well because I know people in other boroughs really struggled to get essential supplies” (General public)

- 3.15 One of the frequent engagers conceded that Capita’s ability to offer a scalable response to grant distribution has been a benefit with respect to ensuring timely financial assistance to those requiring it. However, this was considered the only benefit served by the Capita contracts since their inception.

“... One of the things that the Conservative Group will say is the advantage we had was having a scalable resource in Capita to be able to respond to this particular situation and deliver a lot more administration at a time when people needed to do it quickly ... and they may be right ... That’s the one positive that has come out. But there are still so many negatives and to set it in context: the contracted value to date was £331 million and to date we’ve paid Capita £545 million. We’ve paid them £214 million more ... When you are paying a single company over half a billion quid and the contract isn’t finished then you have to say, ‘hang on a minute, is this quite right?’ (Frequent engagers)

The frequent engagers were especially critical of Capita’s performance

- 3.16 Participants - especially those in the frequent engagers group - were highly vocal in their criticisms of the Capita contracts, and indeed of Capita itself. They particularly alleged poor and impersonal customer service, a lack of openness and visibility around performance, and a serious loss of management control and accountability.

“Capita bring very little added value and create poor customer service because their focus is only about creating revenue ...” (Frequent engagers)

“It tends to be the major organisations you have issues with because they have lost the personal touch which is what I think has happened with the council ...” (General public)

“I have not read the contract because we were not given access to it and I am operating in ignorance ... The fact that there was a contract which we couldn’t read, and [the councillors] didn’t read says a lot about what has happened since” (Frequent engagers)

“Over the years they have farmed out a lot of the services within Barnet ... and as a council taxpayer, I have no idea of the functionality or efficiency of the services that Barnet offer ... ” (General public)

“I have been very concerned about how services have been outsourced and the loss of management control and local accountability” (Frequent engagers)

- 3.17 The frequent engagers also suggested that the power balance within the council/Capita relationship has tipped too heavily in favour of the latter.

“It sounds to me like a classic example that when push comes to shove eventually in a couple of years’ time, Capita will hold all the cards because they can say ... ‘we’ll walk away unless you give us whatever...’” (Frequent engagers)

- 3.18 In relation to this, a specific example was given whereby a provider ‘walked away’ from the provision of clinical services for children, and there was significant concern that Capita will do the same if it ceases to make a profit from its contracts with LBB.

“... another provider walked away from providing clinical services for children. They just said, ‘we are not doing it anymore, see you later’ ... Now the argument has always been that if you keep services in-house then that can’t happen; if you give it to someone like Capita ... then you have a risk because you are over a barrel and there is nothing you can do. Be under no illusion, if things change in a post COVID world, things became more difficult, and Capita stopped making a profit out of Barnet then they would walk away. If that left the people of Barnet in the lurch and if it left the council unable to do all of the things that they have to do by law, that would be no concern at all...” (Frequent engagers)

“It’s all very well saying well we’ll extend the contract by three years or we’ll have a short extension for a year. I’ve not had any reassurance that Capita have agreed to that so we may get to the end of the process and Capita say no. Nobody has been able to answer that question for me ...” (Frequent engagers)

- 3.19 Moreover, there was suspicion (fuelled by a recent report by the independent accounting firm Grant Thornton) that the decision to outsource to Capita was, and remains, ideologically and politically driven and that the case for greater economies through outsourcing is no longer necessarily as clear cut as it might have been.

“Along with the report that came about which services may come back in house and which may be retained, there was a Grant Thornton report and ... it says, ‘Historically procurement has been ideologically driven and highly political’ and that is exactly what happened at the outset of this contract. Unfortunately, from where I’m sitting, that is exactly what’s happening as part of this contract review, it is still ideologically driven and highly political. The report was quite candid, and it said the gap between cost and efficiency for delivery between public and private sector had been significantly squeezed over the last decade This means that outsourcing is not always the most cost-effective option by default ...” (Frequent engagers)

- 3.20 Planning came in for particularly heavy criticism, especially in relation to the perceived over-development of the Borough, local asset reduction, a lack of transparency, and the alleged prioritisation of profit over the needs of the local area and its residents. The strength of feeling around this issue is demonstrated in the typical comments below.

“I view this planning as the most destructive thing in this Borough ...” (Frequent engagers)

“... The Planning Department is one of the busiest in England and it generates lots of cash and therefore wants to see as many applications going through as possible ...” (Frequent engagers)

“Everywhere you look there is development, and they are looking for profit from every square inch. The park has gone ... the local hospital. They have stolen the local community space to build flats ... knocking down what was once our number one library and just leaving the façade which is a metaphor for everything they are doing... ” (Frequent engagers)

“... all the good things we thought about this Borough are being put up for sale: libraries, spaces etc.” (Frequent engagers)

“Everything comes back to, in my view ... squeezing so much profit out of us, not by providing the housing or social development we need but for the benefit of developers” (Frequent engagers)

“Capita have huge interest as a developer and rely on the income from planning and regeneration here ... The planning system is ... geared towards their planning and regeneration and fee-generating processes” (Frequent engagers)

“The council’s role is to balance the needs of residents with the need to progress. There is a strong feeling that when it comes to planning, enforcement of regulation then the people of Barnet are not in the picture at all and are an inconvenience ...” (Frequent engagers)

“Barnet residents are jaundiced about the planning system and have given up on commenting on planning because they know it will be without effect. There is no control of developers ... it’s an absolute scandal” (Frequent engagers)

There was scepticism about the proposed direction of travel for certain services

- 3.21 One frequent engager had read the document outlining the proposed direction of travel for the Capita-provided services and commented that those proposed to return to council control are typically non-revenue generating, whereas Capita would retain the most profit-making service, planning.

“What they are doing and proposing is to take out some services that don’t generate revenue. They are planning to take out environmental health, trading standards and licencing from the RE contract [and] that contract will make a lot more profit because they will take out costs for the services that are cost generating. But they are retaining one of the most profitable sources of income, which is Planning, and Capita get 51% of all that profit. That is fundamentally wrong ...”

(Frequent engagers)

“The last thing I heard was they want to leave the potholes with Barnet while they take on some other positively money-making ventures. So yeah, you can have the highways back which we haven’t kept in shape for the last nine years, but we’d like to get rid of them now ...” (Frequent engagers)

“... If you read the review, it seems that it’s what suits Capita’s plan and not what suits Barnet’s strategic plan...” (Frequent engagers)

- 3.22 The frequent engagers were generally concerned to see this as, in their view, planning is one of the services not suited to outsourcing given their belief that local knowledge is required to properly deliver it.

“I think there are very few other local authorities that outsource planning because it’s quite a specialist thing and needs local knowledge...” (Frequent engagers)

“What I have seen in a number of planning applications is you have planning officers with no knowledge of the local area, and they don’t understand what is happening now and has happened in the past, and they are setting precedents with roads when planning decisions are made, and that’s a huge problem. They have a big churn of staff going through the planning department ... We then lose corporate memory and local knowledge ...” (Frequent engagers)

- 3.23 Moreover, it was argued that other services provisionally proposed to be retained by Capita - such as Accounts Payable - have not performed sufficiently well to justify this. Again, the feeling was that saving money is the key criterion, and that this overrides any consideration of performance.

“There are a number of services that they are saying they want to retain under Capita. One for example, is Accounts Payable which is done in Darlington. Accounts Payable has had four internal audit warnings about the services they provide, and they were implicated in large fraud... They are saying that ... it doesn’t really matter that they have had those warnings because they do it remotely and cheaper and so we are going to leave it with Capita. But what are the criteria for assessing what services are retained by Capita and what should be brought back to Barnet? It seems to be that if they are cheap [to provide], they are left with Capita, but the fact is that they are really poor performing and that doesn’t seem to come into the process” (Frequent engagers)

- 3.24 Capita’s management of Barnet’s cemetery at Hendon was also heavily criticised by a couple of frequent engagers, who alleged significant disrepair because of disinterest – which has, in their view, arisen as a result of the service not meeting Capita’s initial (unrealistic) expectations for revenue raising.

“In Hendon, the gravestones are falling down, the grass is growing ... it’s gone to rack and ruin under Capita ... Capita don’t see it as a core business but in the absence of any better ideas they will keep them running ... But people don’t want to go to the graveyard anymore because it’s so upsetting and horrible ... I think if people knew a private contractor was running the graveyards and they couldn’t be bothered, they would be absolutely furious” (Frequent engagers)

“Capita wanted the graveyard in the contract as a sweetener because they thought they were going to make lots of money with live stream funerals and a café ...” (Frequent engagers)

“... the report says, ‘the service has performed well throughout the life of the contract and has clearly benefitted from the commercial freedoms being delivered by a third party’. That’s not ... other people’s experiences...” (Frequent engagers)

Outsourcing remains a controversial option for the delivery of council services

- 3.25 Some participants in the general public group highlighted the potential advantages of having a national organisation running services, arguing that for many services it matters not whether they are located locally or at a distance, especially with today’s access to technology. They also supposed that an organisation like Capita would have a higher level of expertise than a local council to perform the functions required, as well as greater purchasing power to minimise costs.

“If you have a pothole on the road, it doesn’t matter if you speak to someone from Barnet or someone in the North of England. They’ve got it all mapped out, they’ve got the technology there, they can press buttons and turn around a repair service ... For the likes of Capita, I would hope that there would be greater skills and economy ... to be able to provide a better service than a local council. They bring an expertise. I don’t know if Capita look after other boroughs throughout the UK, but I would think there would be greater subcontract purchasing power there” (General public)

“To me it makes sense economically to have economy of scale, synergy or whatever you want to call it to outsource some of the services ...” (General public)

“Obviously they have saved money and we know that local government is very inefficient so I can see their point in tendering and subcontracting to the most efficient provider ... I think it has become a bit more impersonal but ... rates cost a lot of money and if they can at least keep them in check, that’s not a bad thing” (General public)

“I’m pro-outsourcing certain functions of the council to the likes of Capita for scales of economy and bringing in special consultancy but retaining some of the local and interactive elements of the services to the local borough” (General public)

- 3.26 Moreover, it was suggested that the vast majority of residents know little about how the council provides its services, nor do they care as long as the relationship is a largely transactional one.

"In an ideal world you probably don't need to have an awful lot of interaction with the council ... you hope that it's almost like you pay your council tax, it's quite transactional and you have the faith that it's all done, and you don't mind who looks after it as long as it's done" (General public)

- 3.27 On the other hand, a lack of local knowledge and accountability was considered by many participants in both groups to be a significant disadvantage of providing services through a third party like Capita – as was the potential for more emphasis to be placed on revenue generation than the needs of local residents (which the frequent engagers argued has happened as a result of the contracts). Some typical comments were as follows.

"The key here is that the move to Capita is again taking responsibility away from your elected individuals" (Frequent engagers)

"You don't know with whom you are dealing ... there is a lack of accountability ... What's the point of something being called local government when it's outsourced to anywhere in the country?... (General public)

"Capita is a private entity and the directors have got no accountability to me as a local resident ... I think there is a them and us oversight ... There's no feedback coming back to me ..." (General public)

"It's because it's primarily a business then sometimes corners are cut for economic gain rather than for the lives in the locality ..." (General public)

"... The council seems to be operating as a business to make profit at any cost and [says] this will save us all money and provide better services in the end – but I don't believe that ... there is no expanding or improvement of the services to cope with [the growing] number of residents" (Frequent engagers)

"[It's about the] culture shift that has taken place with Capita coming in, the language used, and all the terminology is about profit, return etc. But councils are about services and meeting people's needs and therein lies the problem ..." (Frequent engagers)

- 3.28 Furthermore, a particular concern was that important service provision is in the hands of people with no local knowledge of or vested interest in the area. This, it was said, could lead to poorer customer service as a result of 'outsiders' having less care for what happens locally in Barnet.

"They have no local knowledge or accountability ... these people are in Burnley, Belfast, in Kent, Surrey and they don't care about the locality. And because they don't have local jobs, they are not wedded to a good outcome of anything" (Frequent engagers)

"... It's a worry for me that you haven't got a local Barnet Council ... it should be called something like the Whole of England Council because it's not my council" (General public)

"... if they are not local to the area then a lot of the things we are complaining about, they are not really aware of it and they can't relate to the issues we've got and the things that need fixing. I am quite passionate about the libraries closing and ... we've got potholes on our side of the street... they aren't from the area, so they don't know what I'm talking about" (General public)

Some suggestions for improvement were made

- 3.29 A couple of further specific suggestions were made for improving services and the customer response in Barnet. These included: re-visiting the terms of the Capita contract to enable the amalgamation of inter-related services (customer services and revenues and benefits for example); and LBB and Capita working to establish of a more personal (as opposed to wholly transactional) relationship between the latter and local residents.

“Think about amalgamating customer services and revs and bens into one department and then instead of someone passing it on, they could deal with it and resolve it at one step, because the people answering calls are then trained and empowered to deal with it ... The contractual structure we have doesn’t allow that to happen. The argument would be to look at not how the contract was structured in 2013 ... take the opportunity to restructure [it] and look at how it could meet the needs of the people it’s meant to serve in Barnet” (Frequent engagers)

“Capita obviously have a business-to-business relationship with Barnet, and then Barnet and the council have a business relationship with the customer. I think they both need to work on the customer connection collectively, so they are seen as a joint force even though they are separate companies” (General public)

The frequent engagers were cynical about the Review and the engagement/consultation process

- 3.30 The frequent engagers felt that the Capita Contracts Review and associated engagement/consultation process are somewhat futile inasmuch as they are unlikely to influence the proposed directions of travel (which were described as a “done deal”).

“To be talking about what direction of travel now, it’s a myth ... This is a process to tick the box and to give the impression that they are consulting. The deal is done, the decisions are made ...” (Frequent engagers)

- 3.31 This viewpoint has been fuelled by a feeling that the council has refused to enter into dialogue with and listen to them and other residents over recent years – as well as a perception that the findings of consultation exercises (the 2019 Capita Contracts consultation for example) are often ignored if they yield the ‘wrong’ answers.

“They don’t want to listen or be directed by the people ... and they have systematically, over the years, amended the constitution so as to cut off all meaningful ways of consultation and dialogue ... They fear scrutiny and for us to ask questions ...” (Frequent engagers)

“I don’t know what good this Review will do, or if the council will take any notice at all. They generally don’t take any notice of consultations at all. In fact, we call them non-sultations for that reason” (Frequent engagers)

“The last one didn’t give the right answers and it will be kicked down the road [by the council] ...” (Frequent engagers)

- 3.32 While most of the frequent engagers said there was nothing the council could do to change their views, one did suggest that if LBB were to show willing in entering into true two-way dialogue, this would go some way to persuading them that this engagement process, and the forthcoming formal consultation, are genuine attempts to inform future service provision. They did not consider this likely though.

"They can try to genuinely begin a dialogue with residents ... take away the rules that restrict the expression of opinion at residents forums; put back the right to speak to your elected representatives at committee meetings; give us again the freedom to ask the questions that we need to ask to be properly informed and meaningfully consulted but they will never do that because it would present a challenge to what they have already decided" (Frequent engagers)

- 3.33 Finally, both the frequent engagers and the general public said that being as open and transparent as possible about Capita's performance to date was essential in ensuring all parties can make an informed judgement about the merits or otherwise of any formal proposals.

"This is the perfect opportunity if the contract is coming to a natural end for the council to show us as residents ... which areas are better than others and to act on those ... and adjust [the contract] accordingly and show us what better outcomes might be in store" (General public)

"They should be open ... some information being sent out widely in a sort of newsletter going to every house telling people, 'here's the independent assessment of the successes and failures of the Capita contract'. Basically, I would say not trying to hide it. There is a sense here that it's all being hidden" (Frequent engagers)

"I would like to see the paperwork published ... a clear and transparent view rather than having all these reports with everything redacted and all the figures not shared because it's commercial ... I would like to see proper business cases where they can say this has worked or this hasn't worked ... If this hasn't worked ... then just say it, tell us the truth" (Frequent engagers)

4. Conclusions

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

Not receiving good customer service has negative repercussions for individuals and organisations...

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their 'custom' elsewhere

LBB's customer service is variable, but there was more negativity than praise

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

The frequent engagers were especially critical of Capita's performance

There was scepticism about the proposed direction of travel for certain services

The frequent engagers were cynical about the Review and the engagement/consultation process

- 4.1 Offering good customer service (defined as accessible, responsive, communicative, and attempting to offer speedy resolution to problems) is essential for any organisation, not only because it is the 'right thing to do' but also because not doing so can result in lasting negative perceptions among service users. This negativity can be particularly acute with respect to local authorities, as residents cannot take their 'custom' elsewhere.
- 4.2 LBB's customer service appears to be variable: some departments (libraries and environmental health for example) were praised for their communication and responsiveness, but there were many more complaints about unresponsiveness, disrespect, and issues/complaints being lost in the system. Participants also equated good customer service with service quality, highlighted by the fact that highways was the service most complained about – most commonly in relation to potholes and poor maintenance of pavements.
- 4.3 Although LBB was commended for its practical response to COVID-19 (particularly with respect to public health messaging, the administration of financial grants and assistance for shielders and other vulnerable people), its general communications were thought to have worsened since March 2020. The pandemic was thought to have been (and continues to be) used as an "excuse" for inactivity and non-responsiveness on the part of both the council and councillors, something with which residents are becoming increasingly frustrated given the 'new normal' of remote working.
- 4.4 Although not the focus of this engagement process, participants inevitably discussed the Capita contracts. Those in the frequent engagers group were particularly vocal in their criticism of them, and indeed of Capita itself, alleging poor and impersonal customer service, a lack of openness and visibility around performance, a serious loss of management control and accountability, and a power balance within the council/Capita relationship that has tipped too heavily in favour of the latter.
- 4.5 Indeed, the discussions certainly showed that the outsourcing of council services remains controversial: some supported it, mainly for reasons for economy and expertise, whereas others opposed it on the

grounds of lack of local knowledge and accountability – and the potential for more emphasis to be placed on revenue generation than the needs of local residents. Both groups acknowledged, though, that most residents give little thought to the nature of service provision: as long as their relationship with the council is largely transactional, they tend to care little who is on the other end of that transaction providing it is completed without difficulty.

- ^{4.6} Finally, work is needed to convince the frequent engagers about the value of the Capita Contracts Review and associated engagement/consultation, for they are currently of the view that the process is a “*done deal*”. Openness and transparency in terms of Capita’s performance will be key to this, as will LBB’s wiliness to engage in proper two-way dialogue.