



In-house service rejected?

Options for the future of Street Scene in Barnet



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Abbreviations

ABC	Activity Based Costing
ADM	Alternative Delivery Model
LATC	Local Authority Trading Company
OBC	Outline Business Case
TBG	The Barnet Group
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 1981
YCB	Your Choice Barnet (The Barnet Group)

Executive Summary

Recommendations

Barnet UNISON recommends:

1. **The Barnet Group option is not an in-house option.** Two of the options involve The Barnet Group, but in practice there is only one option as the In-house (pre December 2015) option is not sustainable. **Furthermore, there is a direct conflict of interest, no ethical wall is in place and both options could not proceed to a procurement process.**
2. One of the biggest risks is not classified as a risk, but a dependency (p37, IOBC). This is very surprising since **the ADM “...is operationally dependent on the relocation of the depot facilities. Any delay, or unforeseen amendment, to the depot relocation will not only have a subsequent impact on day-to-day service delivery operations ('business as usual') but could also impact the delivery of the ADM.**
3. The ADM should be stopped and resources redirected to recruiting the required senior management and embarking on transformation strategy to deliver innovative and improved in-house services and meet financial targets.
4. The Council should recruit new senior management for the Street Scene Delivery Unit to implement the transformation programme as a matter of urgency.
5. A forward-looking in-house plan should be prepared, focused on innovation and improvement with in-house management.
6. Staff and trade unions should be fully engaged in the design, planning and implementation of the transformation programme.
7. The planned public consultation should be delayed and revised to engage service users, community organisations, businesses and civil society organisations in Barnet in contributing to and implementing the transformation programme.
8. We recommend the main and sub-criteria are substantially revised for the next stage of the IOBC process.
9. Complete the Employee Equality Impact Analysis as soon as possible so that a full impact assessment can be carried out of the potential effects on staff.
10. The Council should not divide Street Scene services into 'lots' for contracting (learning the lessons from the May Gurney recycling contract), but concentrate on increased coordination and integration of services.

Lack of genuine in-house option

Instead of focusing on innovation, improvement and a forward-looking strategy, options were drawn up using 2015 and earlier performance of the Delivery Unit. The selection of the in-house (pre-December 2015) option was designed to fail.

Flawed assessment criteria

The assessment criteria are not suitable for the Initial Outline Business Case – some are biased against the private, others biased against the public sector. They assume a level of knowledge that can only be obtained from a procurement process and bids. The IOBC process means they are hypothetical questions or criteria, which invalidates their use.

Management failure

The Internal Audit and Strategic Review of Street Scene focused on poor performance of management, so it would be an injustice to ‘punish’ the workforce by enforcing a transfer to a new employer.

Risks not identified

The risks are focused on the IOBC/potential procurement process and do not address the risks associated with the four shortlisted options, the long list of options or with other procurement risks.

Older workforce

Nearly four out of five Street Scene Delivery Unit staff are male, twice the level for Barnet Council’s total workforce and half of Street Scene staff are over 51 years of age. Gaps in the Employee Equality Impact Analysis should be completed as soon as possible to determine how Street Scene services and particular skills/grades of staff will be affected by planned changes and carry out a full impact assessment of the potential effect on the staff.

Other options

The other options – outsourced; shared service; employee mutual, social enterprise, and trusts; and joint venture and partnership - are highly unlikely to:

- maximise community benefits from innovation and improvement;
- increase the integration of services and flexibility of response to changing conditions and needs;
- sustain good employment conditions for the workforce;
- benefit the long-term development of Street Scene services.

Retain integrated service

Identifying four possible ‘lots’ of recycling and waste, street cleansing, green spaces maintenance and green spaces governance is the language of procurement. Rather than separate contracts, the Council should seek to increase the coordination and integration of services. It must learn the lessons from the May Gurney contract, which separated recycling from other Street Scene services.

Changes to the process

The Revised Business Case timetable has time allocated for development of the ‘in-house (TBG)’ and LATC (TBG) options in October 2016. This time should be allocated to prepare a forward-looking in-house option focused on innovation and improvement with in-house management. The two options involving the Barnet Group should be abandoned.

Public consultation

A February 2016 request for a staff engagement plan has not been forthcoming. Experience shows that staff and trade union contribution to ideas and proposals to improve and transform services can only effectively be achieved through joint engagement, for example through workshops.

A formal public consultation is planned between November 2016 and January 2017. We urge the Council to **delay** the start for two months, so that it can include a forward-looking in-house option based on innovation and improvement of Street Scene services.

Part 1

Constructive dismissal of in-house option

This section comments on the development of the options for Street Scene. It focuses on the in-house (pre December 2015) option and the omission of a forward-looking in-house option.

Seven options were identified and assessed:

- In-house (pre-December 2015)
- In-house (with management support from The Barnet Group)
- Local Authority Trading Company (The Barnet Group)
- Outsourced
- Shared Service
- Employee Mutual, Social Enterprise, and Trusts
- Joint Venture and Partnerships

In-house (pre-December 2015)

This option has been designed to fail the option appraisal process. The description and explanation of how the option would work is limited to comment about management of the delivery unit pre- and post- December 2015. A restructure and possible staff redundancies could affect service delivery and the need to generate income could impose further risk of redundancies to meet required savings. This option is constructed as a write-off, including using ‘pre-December 2015’ description in the title. The option makes no attempt to construct, or to even outline, a forward-looking option focusing on strategies for innovation and improvement.

Furthermore, no evidence is provided to justify the disadvantages, such as the lack of skills and capacity (the Internal Audit was limited to the adequacy and effectiveness of management processes), poor track record of delivery, delivery risk retained in-house and limited income growth (p13, IOBC).

The Committee report describes how the in-house service was “...put into special intervention measures in 2014 due to uncertainty in relation to the 2014/15 budget savings and the lack of senior management capacity and leadership. Time was given to the management team to turn around processes, introduce additional capacity and demonstrate that it could adapt to a changing landscape. This was not done and led to the arrangements with the Barnet Group to undertake the management of the in-house service” (para 3.3.2 Committee Report).

This failure should not be attributed solely to Street Scene, because it also indicates a failure of the management of special intervention measures, given the length of time between the start of the special measures and the commencement of support from The Barnet Group.

In-house (with management support from The Barnet Group)

This is virtually the same as the in-house option with the same lack of evidence. However, the lack of skills and capacity, poor track record of delivery and limited income growth comments disappear.

The statement “**The Barnet Group are not Street Scene specialists**” (p14, IOBC) must be a major concern.

Local Authority Trading Company (The Barnet Group)

The Barnet Group option is not an in-house option. Two of the options involve The Barnet Group, but in practice there is only one option as the In-house (pre December 2015), which is not sustainable. Furthermore, **there is a direct conflict of interest, no ethical wall is in place and both options could not proceed to a procurement process.**

If Street Scene services and staff were transferred to the LATC the “...*Barnet Group would then be in a position to trade Street Scene services commercially and generate a profit for the council*” (para 2.6.1, Committee Report). Given the three-year savings targets for the service ‘trading commercially’ and ‘generating profits’ should be secondary to maintaining and improving the quality of service and achieving the performance targets.

The need to generate income is a common theme in the description of the options in the Report to Committee (paras 2.5 to 3.5.2). However, a distinction should be made between public service income generation, which is retained by the Council and commercial and profit-seeking income generation, which is ‘shared’ between the Council and contractor and is usually associated with maximising income at the expense of service users.

The comments on The Barnet Group make no mention of changes to terms and conditions and claims that the Group has “...more freedom to innovate”, “greater potential to generate income” and “governance and size of the organisation gives confidence in the ability to deliver service efficiencies and financial benefits” which are bold statements about an organisation that has been providing senior management to Street Scene for a few months and “are not Street Scene specialists”.

Other options

The other options – outsourced; shared service; employee mutual, social enterprise, and trusts; and joint venture and partnership - are highly unlikely to:

- maximise community benefits from innovation and improvement;
- increase the integration of services and flexibility of response to changing conditions and needs;
- sustain good employment conditions for the workforce;
- benefit the long-term development of Street Scene services.

Retain integrated service

Identifying four possible ‘lots’ of recycling and waste, street cleansing, green spaces maintenance and green spaces governance is the language of procurement and further evidence that this is the ultimate objective. The Council must learn the lessons from the May Gurney contract, which separated recycling from other Street Scene services.

More importantly it indicates the Council is willing to divide the service into separate contracts, and potential subcontracting, instead of seeking to increase coordination and integration of services. This approach also leads to higher contract management and monitoring costs.

Part 2

Assessment of options

Six criteria were selected to assess options with a number of sub-criteria under each heading. The assessment criteria were agreed in the Strategic Outline Case and approved by the Strategic Commissioning Board on 16 February 2016. The IOBC report to the September 2016 Environment Committee is the first time that Barnet UNISON has had access to the criteria,

The criteria appear to have been written for a procurement process, but they are not suitable for the evaluation of Outline Business Case options. For example, some criteria can only be assessed by evaluators making assumptions about the capability of each option, because of the lack of evidence at the IOBC stage. Some criteria are only applicable to the private sector, such as *'Has a track record of gaining investment'* and *'Provides evidence of successful bids'*. This is clearly biased against in-house options.

Some criteria, such as *'Engages with diverse workforce and representatives from trade unions'* can only be assessed for the current in-house operation and cannot be assessed for hypothetical private or shared service contractors. It is therefore biased against the private sector.

Some sub-criteria are in effect questions, such as the Place-based *'Is aware of the importance of developing the local economy'* and *'Is aware of how local issues can influence place-based improvements, including across other council services'* are similarly inappropriately structured. Being aware is not the same as having evidence that can support a judgement about their capability to develop the local economy and influence place-based improvements.

In fact, many of the criteria cannot effectively be assessed in four of the seven options:

- Outsourced;
- Shared Service;
- Employee Mutual, Social Enterprise, and Trusts;
- Joint Venture and Partnerships.

The criteria assume a level of knowledge that can only be obtained from a procurement process and bids. They are hypothetical questions or criteria, which invalidates their use in the IOBC process.

The six criteria are reprinted below with the questionable sub-criteria highlighted in red to emphasize the shortcomings of this approach.

Cost versus savings

- Understands unit costs and how these impact on service budgets.
- Produces service budgets, which are both thematic and place-based.
- Sustains a long-term financial vision underpinned by sound financial planning.
- Delivers Medium-Term Financial Plan (MTFP) savings on time and in full.

Place-based service

- Understands local diversity (residents and businesses) and how this impacts on service needs.
- **Is aware of the importance of developing the local economy.**

- Is aware of how local issues can influence place-based improvements, including across other council services.
- Engages effectively with stakeholders and strategic partners.
- Provides evidence of solution-focused partnership working.

Technology and innovation

- Demonstrates a working culture that supports innovation and challenges staff to engage with new technologies.
- Has the ability to innovate.
- Draws synergy between customer contact and improving service efficiency.
- Reduces hand-offs in the customer journey.
- Ensures feedback from customers that can inform future solutions.

Income generation

- Understands the Council's entrepreneurial aspirations for the borough.
- Understands service income streams and demonstrates the ability to develop plans to grow key business areas.
- Has a track record of gaining investment.
- Provides evidence of successful bids.
- Demonstrates a full understanding of; asset-based control by service, maximising financial return, and adding social value.

Continual service improvement

- Maintains and delivers high quality services with targets based on both quality and perception.
- Demonstrates effective stakeholder engagement across a spectrum of internal and external partners.
- Adapts services to meet changing needs.
- Engages with a diverse workforce and representatives from trade unions.

Track record

- Is known to deliver high quality, effective services.
- Track record proven by:
 - Current (or previous) working relationship with the Council and/or partners.
 - Professional (market) reputation.
 - Examples of best practice at other local authorities.

Commentary on the initial scoring

The Internal Audit report on Street Scene Operation Review (November 2015) and report to Audit Committee in January 2016 (London Borough of Barnet (2016) and the Strategic Review of Street Scene (London Borough of Barnet, 2016) were used to denigrate the in-house option. We are not questioning the validity of the Internal Audit's findings, but how they were used to reject the in-house option and not to prepare a forward-looking option.

Comments under four of the six assessment criteria refer to the Audit report were highly critical of the Service. Two important issues are relevant to the IOBC.

The Internal Audit was "...undertaken to confirm the adequacy and effectiveness of HR, Fleet Management, Waste and Recycling, Trade Waste and depot management processes" (ibid). It was focused on management, not the whole service, at a time when there was recognisable a lack of competent senior management. It is, therefore, inequitable to exclude an in-house option when it is clearly in the Council's ability to recruit new managers.

The Internal Audit covered: control processes to prevent conflicts of interest in recruitment; workforce management/governance issues such as documented evidence of policies/procedures; lack of awareness of workforce policies by staff; record keeping problems; risk of illicit payments; weaknesses in refuse vehicle tracking; gaps in depot CCTV coverage; proper charging of side waste; policies regarding staff use of council vehicles; calculation of trade waste market share and invoicing follow-up. Many of the items were about inconsistencies in policies and lack of documentation.

Strategic Review of Street Scene submitted to Policy and Resources Committee in March 2016 and was prepared in support of the recommendation to appoint The Barnet Group to take over the senior management function in the Delivery Unit. It is a commentary on the situation *prior* to The Barnet Group taking over this function (sanctioned under delegated powers on 5 February 2016 (London Borough of Barnet, 2016)).

The comments in five of the six assessment criteria in the table on page 22 of the OBC are highly critical of a situation in 2015/early 2016. But the purpose of an in-house option is to look forward to show how it could provide Street Scene services from 2017 onwards.

The comments in the same table for the LATC (Barnet Group) option reflect what appears to indicate a very rapid transformation in the performance of Street Scene and are, ironically, forward looking. The Strategic Review also included a glowing report of The Barnet Group's performance, although three of the four performance criteria were for 2013 or 2014. TBG's performance and treatment of service users and the workforce in Your Choice Barnet was omitted (Campaign Against Destruction of Disabled Support Services, 2013).

Financial baseline

An activity based costing (ABC) exercise, in collaboration with the Delivery Unit, analysed the output, functions and costs of running Street Scene services in scope for financial year 2015/16.

"The purpose of this exercise was to obtain as much information as possible about the current operating model for each of these services, in order to inform a performance and financial baseline from which opportunities for innovation and savings can be identified" (p10, IOBC).

So why was this approach not used to identify opportunities for innovation and improvement in the in-house option? If the ABC exercise was not available at the time the option assessment took place, then why were they not aligned?

Street Scene has £900k saving target under the Medium-Term Financial Plan consisting of £250k, £550k and £100k in the three years beginning 2017-18. The OBC states that it is *"...anticipated that these savings will be achieved through the transformation of Street Scene services, in line with delivering the respective action plans for each of the environmental strategies"* (p10). **So why did the IOBC not assess the in-house ability to achieve savings through future transformation?**

Scoring system

The IOBC scoring system was a narrow band of one, two or three points awarded for each of the six criteria. This would have been less crude and more effective had a 1-5 score range been used. It would have enabled greater distinction to be made between the options.

The points allocated to each option provide further confirmation

15 points: Local Authority Trading Company (The Barnet Group)

15 points: Outsourced

13 points: Shared service

12 points: In-house (with management support from The Barnet Group)

11 points: Joint Venture and Partnerships

10 points: Employee Mutual, Social Enterprise and Trusts

8 points: In-house (pre-December 2015)

When the compilation of the scores is examined there are several questionable scorings:

- Outsourcing was the only option to receive three points for track record;
- LATC and shared service options awarded three points for local income generation;
- Outsourcing and LATC were the only options to receive three points for costs versus savings;
- In-house (pre-December 2015) received only one point for five of the six criteria and was awarded three points for being a place-based service.

It is absurd to award one point each for costs versus savings, local income generation, continual service improvement and track record to the in-house (pre-December 2015) option, yet two points for the same criteria to in-house (support from TBG) option when there is clearly no proposal by any sensible person to return to the pre-December situation in Street Scene.

We recommend the main and sub-criteria are substantially revised for the next stage of the IOBC process.

Lack of financial analysis

The IOBC reports that “*Data from the ABC model has provided a financial overview of how services are being run at present*” (p25, IOBC), but there is no evidence that this information has been used in the assessment of the options, other than to reject a forward-looking in-house option.

No evidence is available as how savings will be achieved or what the differences are between the options or how each option will address income generation and trading.

Part 4

Risks not identified

The Initial Outline Business Case identifies five risks (p36-37) together with mitigation statements for each risk:

1. The effect if the projected £900k savings are not achieved in the timescale
2. Lack of a market from potential bidders
3. Lack of Member support could result in delay if re-evaluation of alternative delivery options is necessary
4. The fourth option concerns the cost and legal scope of the CSG contract could delay submission of OBC2
5. Finally, the increased annual leave in the Unified Reward contractual changes could lead to increased staffing levels which could be met by “...using agency staff” or recruitment of permanent staff and thus increase costs for the Street Scene Delivery Unit and “...may have implications for annual savings targets” (p37, OBC1).

The risks are focused on the IOBC/potential procurement process and do not address the risks associated with the four shortlisted options, the long list of options or with other procurement risks. The analysis of the options in the Committee report refers more explicitly to some of the risks in each option, but these should be reflected in the risk assessment. There is no assessment of the risks inherent with each of the eight options in the IOBC, which is a major omission.

There is no reference to the risks of moving from a **central depot** to a **multi-site depot** and the effect on **operational efficiency**, **managerial effectiveness**, the **effect on cost savings** and the **potential health and safety risks** for staff.

Risks not considered in the options appraisal

The following risks should be assessed:

- One of the biggest risks is not classified as a risk, but a dependency (p37, IOBC). This is very surprising since **the ADM “...is operationally dependent on the relocation of the depot facilities. Any delay, or unforeseen amendment, to the depot relocation will not only have a subsequent impact on day-to-day service delivery operations (‘business as usual’) but could also impact the delivery of the ADM (e.g. additional fuel costs, route rationalisation etc.)”** That is de-facto a risk. The fact that it is a self-imposed risk arising from the sale of one depot and a planned relocation to a multi-site model does not mean it is not a risk. It will increase costs because of loss of economies of scale, reduced flexibility of staffing and higher energy costs.
- Transformation is not resourced, planned and/or is only partly successful in terms of the implementation of changes to working methods and changes to service delivery.
- The loss of trust and cooperation of the workforce (which could make transformation more difficult to implement).
- Contractor performance in LATC, outsourcing, joint venture and employee mutual options is inadequate.

- New employer changes of terms and conditions of staff leading to industrial action and reduced performance and missed targets.
- The capability of management in potential new employers is overstated leading to delays in transformation and achieving the savings targets.
- Savings and three-year inflation costs cannot be achieved without unacceptable reductions in quality of some services.
- Job losses are imposed as cost-cutting measures to achieve savings targets, but result in reduced quality of service and an increase in complaints.
- Income generation is focused on new and/or increased charges that lead to wide community opposition.
- The combination of transformation and the task of new management to embed cultural change, trust and cooperation are over ambitious leading to fragmented implementation.

Part 5

Impact on jobs, terms and conditions

Nearly four out of five Street Scene Delivery Unit staff are male, which is twice the level for Barnet Council's total workforce (Table 1).

27% of Street Scene staff are aged 40 or younger compared to 34.6% of Barnet Council staff in this aged group. Nearly half of Street Scene staff (49.9%) are over 51 years of age compared to 41.8% of the total Barnet Council staff.

The draft Employee Equality Impact Analysis only recorded the ethnicity of 422 of the 477 staff and no information was recorded for disability. In addition, information on the gender, age and ethnicity were not available for particular service groups within Street Scene, such as waste and recycling, grounds maintenance, fleet management and borough cleansing.

Table 1: **Street Scene workforce**

Gender	No. of staff	% of staff in Street Scene	% of staff Barnet Council
Gender			
Female	102	21.4	60.0
Male	375	78.6	40.0
Total	477		
Age			
19 - 30 years	43	9.1	13.3
30 - 40	85	17.9	21.3
41 - 50	110	23.1	23.6
51 - 65	216	45.3	38.5
66 - 75	22	4.6	3.3
Total	477	100.0	100.0
Ethnicity			
White	323		
Asian and Asian British	32		
Black or Black British	67		
Mixed	n/a		
Chinese or other ethnic group	n/a		

Source: Appendix D: Initial Employee Equality Impact Analysis

Implications for older workers

Changes to working methods, increased efficiency and other potential changes required by transformation, plus the threat of outsourcing, will impact on the workforce particularly given the nature of the Street Scene services and as half the staff are 51 years and older.

However, it is currently not possible to determine how this situation will affect particular Street Scene services or particular skills/grades of staff because of significant gaps in the Employee Equality Impact Analysis. It is therefore vital for the

missing information in to be completed as soon as possible to enable a full impact assessment to be carried out of the potential effect on the staff.

Threat of cuts in terms and conditions

The LATC, outsourcing, employee mutual and joint venture/partnership options would require a staff transfer under TUPE regulations, however, there would also be a significant risk of changes to jobs, terms and conditions shortly after transfer.

The LATC has a poor reputation following very significant changes including staff re-grading and wage cuts in Your Choice Barnet (YCB). Reference to the employment track record of YCB is absent from the references to the performance of The Barnet Group.

Furthermore, the LATC have since drawn up a new set of terms and conditions – TBG FLEX - that could be used for a Street Scene staff after transfer.

Workforce management issues in the Internal Audit

The issues addressed by the Internal Audit investigation (London Borough of Barnet, 2016) and the strategic review of the Street Scene Delivery Unit (London Borough of Barnet, 2016) mainly reflect flaws and weaknesses in the management of the Street Scene Delivery Unit and the Council's special measures mechanism. They also reflect a loss of trust between management and staff.

They have been used opportunistically to reject a forward-looking in-house option. But it would be a serious injustice and damaging, if staff believed the lack of a genuine in-house option was being used to 'punish' the workforce by using the options appraisal process to seek to transfer them to a new employer.

Resident/User Initial Equality Analysis

The document merely states which equality strands could be affected and reports 'impact to be assessed' (London Borough of Barnet, 2016). Full impact assessments should be carried out as part of the evaluation of planned changes to service delivery.

Part 3

Urgent changes needed to the proposed process

The next stage of the OBC process is stated to be:

“The shortlisted in-house option (with management support from The Barnet Group) and the Local Authority Trading Company option (The Barnet Group) will not be entered into a competitive procurement process; rather, they will be evaluated first” (p25, IOBC).

Firstly, **neither of the two options can be classified as an in-house option.** They have been shortlisted in the planned absence of a forward-looking in-house option as described in Part 2.

Secondly, **there is clearly a conflict of interest with the Barnet Group being a participant in both options.** Since it is acting as an interim manager of Street Scene it has access to management information that could be used to influence the outcome in the interest of The Barnet Group.

Thirdly, the two options will be evaluated by a panel, *“...facilitated by the project team, which will then make a final recommendation in the revised Outline Business Case (OBC2) as to whether or not to proceed with either option” (p25, IOBC).*

Finally, a *“...decision on whether or not to undertake a procurement exercise, or start formal discussions with possible shared service partners, will be dependent on whether Members are satisfied with the quality of either of the options put forward” (ibid).*

Opportunity for change

The Revised Business Case timetable has time allocated for development of the ‘in-house (TBG)’ and LATC (TBG) options in October 2016. **This time should be allocated to prepare a forward-looking in-house option focused on innovation and improvement with in-house management. The two options involving the Barnet Group should be abandoned.**

It is important to remember that there is no legal obligation to commence a costly procurement process if an innovation and improvement based in-house option is prepared and accepted.

Public and staff consultation

The IOBC reports that *“...engagement with staff, trade unions and other senior stakeholders is ongoing”* which includes a survey, briefings, newsletter, change champions network and suggestion boxes (p32, IOBC). However, staff engagement has been limited to a ‘post-it note’ session. A February 2016 request for a staff engagement plan has not been forthcoming. Experience shows that staff and trade union contribution to ideas and proposals to improve and transform services can only effectively be achieved through joint engagement, for example through workshops. Top down initiatives and individual suggestion box schemes rarely provide qualitative and substantive proposals.

A formal public consultation is planned between November 2016 and January 2017. We urge the Council to delay the start for two months, so that it can include a forward-looking in-house option based on innovation and improvement of Street Scene services.

Part 6

Conclusion and recommendations

Conclusions

An innovative and improved in-house service has not been developed as an option. Instead, an 'in-house (pre-December 2015)' option was selected as a potential option when no sensible person would consider this a viable or acceptable approach. It was always going to fail even the most basic evaluation, which it duly did.

An in-house (with management support from The Barnet Group) option has been recommended for shortlisting for the next stage of the OBC. But Street Scene needs permanent in-house management and the Barnet Group are not Street Scene specialists. A long-term solution is needed.

The risks were not made transparent, so it unclear to what extent they were taken into account in the evaluation of options.

There are inconsistencies in the scoring of the options.

Finally, the Council is not obliged to commence a costly procurement process.

Recommendations

Barnet UNISON recommends:

- 1. The Barnet Group option is not an in-house option.** Two of the options involve The Barnet Group, but in practice there is only one option as the 'In-house (pre December 2015)' option, which is not sustainable. **Furthermore, there is a direct conflict of interest, no ethical wall is in place and both options could not proceed to a procurement process.**
2. One of the biggest risks is not classified as a risk, but a dependency (p37, IOBC). This is very surprising since **the ADM "...is operationally dependent on the relocation of the depot facilities. Any delay, or unforeseen amendment, to the depot relocation will not only have a subsequent impact on day-to-day service delivery operations ('business as usual') but could also impact the delivery of the ADM.**
3. The ADM should be stopped and resources redirected to recruiting the required senior management and embarking on transformation strategy to deliver innovative and improved in-house services and meet financial targets.
4. The Council should recruit new senior management for the Street Scene Delivery Unit to implement the transformation programme as a matter of urgency.
5. A forward-looking in-house plan should be prepared, focused on innovation and improvement with in-house management.
6. Staff and trade unions should be fully engaged in the design, planning and implementation of the transformation programme.

7. The planned public consultation should be delayed and revised to engage service users, community organisations, businesses and civil society organisations in Barnet in contributing to and implementing the transformation programme.
8. We recommend the main and sub-criteria are substantially revised for the next stage of the IOBC process.
9. Complete the Employee Equality Impact Analysis as soon as possible so that a full impact assessment can be carried out of the potential effects on staff.
10. The Council should not divide Street Scene services into 'lots' for contracting (learning the lessons from the May Gurney recycling contract), but concentrate on increased coordination and integration of services.

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