

# UK: Barnet Council proceeds with public services outsourcing

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Barnet Council in north London has agreed a 10-year public services contract worth at least £320 million with business services company Capita. The deal is part of the £1 billion One Barnet programme to outsource around 70 percent of council services and will see Capita taking over many back-office functions, including human resources and payroll. It is part of a major privatization programme.

Capita was chosen as the preferred bidder for the new Support and Customer Services Organisation (NSCSO) contract last month. It is also bidding for the Development and Regulatory Services (DRS) contract, worth £275 million over 10 years. Parking services had already been outsourced last May to NSL and RR Donnelley in a £15 million five-year contract.

The council claims that the NSCSO deal will save £120 million over the course of the contract, preventing cuts to frontline services. The move will see over 500 jobs transferred to Capita. But around half of these staff face redundancy as jobs are dispersed to Capita's centres around the country.

Conservative-run Barnet has long been a flagship council for cost-cutting services by privatization. The council's *One Barnet Framework* even claims that the programme "is not fundamentally about budget cuts", suggesting it is fundamentally about privatization.

In 2009 then council leader Mike Freer advocated the "EasyCouncil" model of privatized service provision. Under this model, based on budget airlines, residents were to be charged extra for specific services. What Freer called a "new relationship with citizens" included the understanding that the council would no longer automatically provide blanket service coverage.

With the election of the coalition government, and the slashing of local government funding, Barnet has cut even further.

The council is already using the outsourcing programme to deflect responsibility for job losses. At the end of November, its Scrutiny Committee looked at the future of workers made redundant as a result of the outsourcing. The obligation for looking at redeployment, they insisted, would rest with Capita and there would be "more redeployment opportunities within Capita than if an individual was still employed by the council". At the time Capita was offering just 268 job vacancies nationally, only 44 of which were in London.

There has been massive local opposition to the council's moves. Around 8,000 people so far have signed a petition from the trade union-sponsored Barnet Alliance for Public Services (BAPS) calling for the One Barnet programme to be halted. The petition will be presented to the council later this month. Two disabled residents have launched legal challenges calling for a review of the outsourcing decision.

One local resident, writing in the *Guardian*, reported that the council had voted in April 2011 to restrict subjects residents could discuss at monthly forums: "For more than a year residents have been banned from discussing policy or any borough-wide issue. And once an issue is discussed, we may not raise a topic again for six months."

Local campaigners, she complained, have been forced to submit frequent freedom of information requests to get details of the programme. Residents have continued to protest at council meetings, where they have been met with contempt. Former councillor Brian Coleman denounced the public gallery at one meeting as "the sad, the mad, and a couple of old hags", while Hugh Rayner told visitors to a recent Business Management Overview and Scrutiny Committee (BMOSC) meeting, "Thank god there aren't many of you today."

Protesters have reported more direct interference. It has been claimed that on the morning of 6 December, ahead of the meeting to decide on the preferred NSCSO bidder, council workers arriving for work were asked by security personnel whether they intended participating in the demonstration that evening. Those who said yes were then denied access to the council car park.

Protesters have turned up to lobby council surgeries to find them cancelled at short notice.

Council leader Richard Cornelius has been bullish in his defence of the One Barnet programme against what he calls “a lot of froth”. In a column in the *Barnet and Whetstone Press* he enthused over “The commercial sector [which] has different management techniques and will be able to expand business by selling services elsewhere and spreading the overhead costs.”

Sections of the Conservatives are growing uneasy at the hostility they face. Coleman, for example, has now described the Capita outsourcing as “flawed”, and “fundamentally un-Conservative”, while Councillor Sury Khatri has expressed concern that the Conservatives had no mandate for their actions. Nick Walkley, the Tory Chief Executive responsible for implementing the “EasyCouncil” model, quit the borough unexpectedly in October and has since taken over at Labour-controlled Haringey.

In response to Khatri’s stated concern that the party had not campaigned on this programme at the 2010 election, local Tory MP Matthew Offord wrote that it had been “well known before the election as the Cabinet had agreed to undertake works to introduce the project.”

Coleman is in reality no opponent of privatization. A former chair of the BMOSC, he was directly involved in the privatization of parking services. He was formerly head of the London Fire Authority under Boris Johnson. In that capacity he was responsible for the assault on wages and conditions in 2010, when contracts were ripped up and firefighters threatened with redundancy if they failed to sign the new ones. Coleman organized the scabbing operation during that strike, and boasts on his blog that “he is the only Politician during the coalition period to have successfully beaten a public sector union.”

Coleman was arrested for an alleged assault in September. He was accused of attacking a local café

proprietor who was taking pictures of him parking in breach of the restrictions he had introduced. Conservatives on the council only moved to remove him from his positions of office after the Conservative party nationally suspended him ahead of next month’s court hearing. His current criticism of Barnet’s Conservatives is purely an effort to revive his political career.

Two legal challenges are underway, seeking judicial reviews of the decision. The challenges, brought by local residents Maria Nash and John Sullivan (on behalf of his daughter Susan), allege the council is acting unlawfully, both in regard to the process it has adopted and the substance of the proposals. Such judicial reviews certainly reflect local anger, but they are severely restricted in their scope. The challenges are tied to the framework of business models, which means that even though they may prove costly and embarrassing to the council they do not threaten the determination to privatize.

Previous legal challenges against cuts programmes using such arguments have sometimes led to delays in implementation, but have also served to legitimize the slashing of service provision by councils. They serve to raise hopes that some sections of the ruling class may be more responsive to pressure, under conditions where all have indicated their determination to cut services.

Walkley’s recruitment by a Labour-controlled borough should serve as a reminder that the party’s policies are no way different to those of the coalition. Ed Miliband has pledged Labour’s determination to continue a cuts programme, while the last Labour government heavily promoted the private financing and outsourcing of public services through Private Finance Initiatives (PFI) and Public Private Partnerships (PPP).

In Barnet, Labour Group leader and Councillor Alison Moore said only that the party had proposed establishing “a cross party scrutiny panel dedicated to monitoring the transition to and implementation of this extremely complex contract.” This was rejected.



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