

SPECIAL MEETING

CABINET

DATE AND TIME

THURSDAY, 6TH DECEMBER, 2012

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, NW4 4BG

TO: MEMBERS OF CABINET (Quorum 5)

Chairman: Councillor Richard Cornelius, Leader of the Council

Councillors

Daniel Thomas
Dean Cohen
Tom Davey

Andrew Harper
Helena Hart
David Longstaff

Sachin Rajput
Robert Rams
Joanna Tambourides

You are requested to attend the above meeting for which an agenda is attached.

Aysen Giritli – Head of Governance

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CORPORATE GOVERNANCE DIRECTORATE

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of Previous Meeting	
2.	Absence of Members	
3.	Declarations of Members Personal and Prejudicial Interests	
4.	Public Question Time (If Any)	
5.	New Support & Customer Service Organisation: Recommendation for Preferred and Reserved Bidder and Full Business Case	1 - 128
6.	<p>Motion to Exclude Press and Public</p> <p>That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in Category 3 of Paragraph 9 of Part 1 of Schedule 12A of the Act (as amended)</p>	
7.	New Support & Customer Service Organisation: Recommendation for Preferred and Reserved Bidder and Full Business Case (Exempt)	To Follow
8.	Any Items that the Chairman Decides Are Urgent	

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Meeting	Cabinet
Date	6 December 2012
Subject	New Support & Customer Service Organisation: Recommendation for Preferred and Reserved Bidder and Full Business Case
Report of	Deputy Leader of the Council / Cabinet Member for Resources and Performance Cabinet Member for Customer Access and Partnerships
Summary	Appendices A, B and C provide the Cabinet with the Full Business Case for the New Support and Customer Services Organisation (NSCSO) along with the Equalities Impact Assessment and List of Principal Legislation affecting the NSCSO services

Officer Contributors	Craig Cooper, Director of Commercial Services John Hooton, Assistant Director of Strategic Finance Kari Manovitch, NSCSO Project Director John Newton, NSCSO Commercial Lead Helen Mynett, NSCSO Project Lead
Status (public or exempt)	Public (with separate exempt report)
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	Appendix A – Full Business Case Appendix B – Equalities Impact Assessment Appendix C – List of Principal Legislation Appendix D – Evaluation Scores (exempt)
Contact for Further Information:	Kari Manovitch, NSCSO Project Director. kari.manovitch@barnet.gov.uk , 020 8359 7628

1. RECOMMENDATIONS

- 1.1 That Cabinet note the outcome of the evaluation stage of the New Support and Customer Services Organisation (NSCSO) Project and recommend to accept Capita's Final Tender as the preferred bid, with reference to the Full Business Case (Appendix A), Equalities Impact Assessment (Appendix B), List of Principal Legislation (Appendix C), and Evaluation Scores (Appendix D - exempt).**
- 1.2 That Cabinet approve the recommended reserve bid.**
- 1.3 That Cabinet delegate contract completion and signature (and ancillary documentation) finalisation and execution to the Section 151 Officer and in the event of his absence, the Deputising Section 151 Officer.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee 28 February 2012 (Decision Item 6) – Resolved that:
 - (1) Cabinet Resources Committee approves the recommended New Support and Customer Services Organisation (NSCSO) shortlist of two bidders for stage 2 of the competitive dialogue process.
 - (2) The recommended shortlist is: BT and Capita. They achieved the highest two scores from the evaluation of the outline solutions provided at the end of the first stage of competitive dialogue.
 - (3) The Committee note the update to the New Support and Customer Services Organisation business case.
- 2.2 Cabinet Resources Committee 29 June 2011 (Decision Item 7) – Resolved that
 - (1) The committee approves the New Support and Customer Services Business Case in order that the Council can begin the competitive dialogue process, following the previously approved placing of the OJEU notice.
 - (2) The authority to award contract remains with the Cabinet Resources Committee.
 - (3) The committee give due regard to the statutory equality duties under the Equality Act 2010 and the outcomes of the equality impact assessments referred to in this report.
- 2.3 Cabinet Resources Committee, 2 March 2011 (Decision item 9) Customer Services Organisation and New Support Organisation: Options Appraisal – Resolved that:
 - (1) The Director of Commercial Services be authorised to produce a business case for the following:
 - a. the procurement of a private sector partner(s) to deliver the following services – Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits.
 - b. the interim transformation (prior to transfer to a private sector partner) of the following services – Customer Services, Information Systems
 - c. change and service improvement of the following services – Estates, Procurement

d. the options and recommendations for the in-house transformation of Legal Services.

(2) The details of business case (1)a be referred to and considered by a future meeting of Cabinet Resources Committee.

(3) The Director of Commercial Services be authorised to initiate the procurement of a private sector partner(s) to deliver the following services: Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits.

(4) This procurement process will only proceed into the dialogue phase once the business case identified in (1)a above be approved by Cabinet Resources Committee.

2.4 Cabinet, 29 November 2010 (Decision item 6) – Resolved that:

1. The One Barnet Programme Framework is approved
2. The funding strategy for One Barnet implementation costs, as set out in paragraph 6 of the Cabinet Member’s report, is approved.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The NSCSO project and Capita’s Final Tender will make a significant contribution to the Council’s corporate priorities, delivering:

- *Better services with less money* through contracting for guaranteed standards and levels across all NSCSO services, whilst at the same time reducing the operating cost of these services by at least 45% in real terms over the period of the partnership, saving the Council £125.4 million in the period 2013 to 2024, and enabling the Council to meet the requirements of the current Medium Term Financial Strategy and the forthcoming additional savings anticipated as part of the next spending round. This money would otherwise have needed to be found from frontline service budgets;
- *Sharing opportunities and responsibilities* by significantly enhancing the ability of customers to access and engage with the Council and receive the support they need, whilst also giving them greater control through self-service and self-help, and opportunities to co-design services with the partner;
- *A successful London suburb* through an enhanced insight function which will help the Council analyse the needs of the Borough and its communities in more detail and commission services that are targeted to specific needs; commitments to increase resident satisfaction; and support for local businesses and community organisations.

3.2 The corporate change programme has three overarching aims:

- A new relationship with citizens
- A one public sector approach
- A relentless drive for efficiency

3.3 The benefits committed by Capita that contribute to these aims are described in section 4 of the Full Business Case (Appendix A).

4. RISK MANAGEMENT ISSUES

- 4.1 Severe resource constraint represents the most significant risk to the Council achieving its strategic objectives. The NSCSO Full Business Case demonstrates that by proceeding to contract signature with the Preferred Bidder the Council will secure the savings it needs to meet the demands of the current MTFs and those of the additional cuts expected to be confirmed later this year, whilst achieving significant operational and strategic benefits.
- 4.2 The risks associated with proceeding to contract signature, along with the contractual protections and other mitigations, are fully documented within section 5 of the Business Case, but are also listed in summary here:

	Risk	Mitigations in place
Financing	Insolvency	Contractual protection – termination and financial distress clauses
	Change in ownership	Contractual protection – change in ownership and control clauses
	Inability to source investment capital	Contractual protection - financial distress clauses and Parent Company Guarantee (PCG)
	Over-dependency on procurement savings	Contractual guarantee of 18% savings on core services that exceed the Outline Business Case target
Financial Probity	Lack of transparency in partnership finances	Contractual protection – audit access clauses, open book accounting and financial model
	Uncertainty over what is in or outside the core price and being charged extra	Contractual protection – detailed peer-reviewed service specifications and reprioritisation clause
	Weak commercial terms for additionally commissioned projects (e.g. guarantees and gainshare)	Contractual protection via schedule 15, the Special Projects Approval Procedure; governance clauses and commercial and subject matter expertise with the Council's Commissioning Group
	Unilateral exploitation of intellectual property by partner	Contractual protection – Intellectual Property Rights (IPR) clauses
Ongoing value for money of core service	Inflexible design that does not respond to future customer needs	Contractual protection – change clauses, annual and major service reviews; customer satisfaction Key Performance Indicators (KPIs) and Performance indicators (PIs)
	Inadequate technology refresh capability/ resource	Contractual protection – service performance targets drive appropriate investment throughout life of contract
	Change in Council priorities/policies	Contractual protection - change clauses, annual reviews, year 3 and 6 outcome reviews, policy update clauses
	Inability to reduce annual charge to meet further budget	Contractual protection - budgetary change clause and the volumetrics in the payment mechanism

	reduction demands	
Core Service Performance/ Availability	Inadequate specification	All service specifications have been peer reviewed by internal and external subject matter experts and dialogued extensively
	Inadequate design and/or methods	Capita's service redesign proposals, transition and transformation plans were tested through detailed dialogue and reviewed in detail by the Council's evaluation team
	Inadequate resourcing	Capita's investment plans, staffing proposals, transformation inputs and ongoing resourcing are all detailed in the financial model and were reviewed in detail by the Council's evaluation team
Resilience	Force majeure event	Contractual protection – Capita obligated to mitigate
	Inadequate business continuity arrangements	Contractual protection - KPIs; business continuity clauses
	Inadequate transition arrangements	Outline transition plan prepared by Capita as part of Final Tender. Detailed joint plan to be prepared between Council and Preferred Bidder upon appointment
	Inadequate exit arrangements	Contractual protection through detailed termination clauses and requirement for an exit plan which is regularly reviewed/updated
Volumes/ change in demand	Increase in demand as a result of demographic changes	Contractual protection through volumetric provisions and tolerances, reprioritisation clauses. Shared Service approach offers a more scalable solution
	Unplanned redirection or generation of demand on NSCSO from other delivery partners	A mechanism will need to be established by the Commissioning Group that enable interdependencies between partners to be managed effectively
	Increase in failure demand	Contractual protection through customer satisfaction and first contact resolution KPI targets, wide range of customer service PIs, and ability to audit service performance data
Commissioned Projects	Inadequate design	Insight capability available to Council and partner will enable more evidence-based business cases
	Inadequate commissioning	Contractual protection through schedule 15, the Special Projects Approval Procedure schedule, subject matter expertise within the Council's Commissioning Group
	Lack of collaboration between delivery partners	Contractual protection through interface clauses with respect to DRS and the general obligation on Capita to cooperate with other partners. A mechanism will also need to be established by the Commissioning Group that enables

		interdependencies between partners to be managed effectively.
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- 4.3 The mobilisation and transition phase that can commence as soon as the Alcatel (standstill) period has concluded on 27 December 2012 must also be robust, and contract management arrangements need to be effectively structured and resourced to ensure that the benefits set out in the Business Case can be realised, and exceeded, throughout the life of the relationship. These issues are addressed in more detail in section 8 and section 10 of the Full Business Case (Appendix A): 8 - Project Approach and 10 - Approach to Benefits Realisation and Contract Management.
- 4.4 These risks will continue to be assessed and managed in accordance with the Council's project and risk management methodologies.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Equality and diversity issues are a mandatory consideration in decision making in the Council pursuant to the Equality Act 2010. This means the Council and all other organisations acting on its behalf must have due regard to the equality duties when exercising a public function and such obligation is on-going. The Equality Duty should be applied before a decision is made and be part of the decision-making process.
- 5.2 Section 149 of the Equality Act 2010 provides that:
- "(1) A public authority must, in the exercise of its functions, have due regard to the need to -
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it"
- (known as the Public Sector Equality Duty and for the purposes of this report henceforth referred to as the **Equality Duty**).
- 5.3 The "protected characteristics" are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 5.4 The Equality Duty applies to the Council. In addition, Section 149(2) provides that "a person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1)". Section 150(5) provides that "a public function a function of a public nature for the purposes of the Human Rights Act 1998".
- 5.5 The Government has recently announced its intention to bring forward a review of the Equality Duty which it says will be completed by April 2013. Until there is

any change in the law, the Equality Duty remains a basis for legal challenge to decisions by any public authority. The Council recognises that the time and cost of dealing with litigation and the risk of decisions being quashed is not something that can be treated lightly.

- 5.6 Members should be aware of the special duties the Council owes before they take these decisions. In making their decisions, members must accord due regard to all of the goals within the Equality Duty and in the context of the function which is being exercised.
- 5.7 Elected Members have been briefed on the Equality Duty and how equality considerations must be integrated into day to day business when formulating policies and decision-making. Members are mindful of the need to consider what impact, if any, a particular proposal will have on one or more protected groups, whether there will be any cumulative impact and what mitigating steps must be put in place. The Council believes the duty has been exercised in substance with rigour and with an open mind.
- 5.8 The Equality Duty has been and will continue to be considered at all stages of decision making on the NSCSO project and subsequent contract management.
- 5.9 The pre-qualification stage of the procurement process included an evaluation of applicants' procedures for equalities and diversity to ensure that they were in accordance with equalities legislation.
- 5.10 A key strategic objective for this procurement has been to secure a strategic partner who will enable a new relationship with citizens, which requires understanding citizens better in order to design and commission intelligently for their needs, finding ways to involve citizens more in service design and delivery, and better integrating local community groups into service delivery. This theme has featured strongly throughout the process, in the evaluation criteria and in both Final Tenders received.
- 5.11 The evaluation criteria for the Outline Solution, Detailed Solution and Final Tender stage included several criteria related to effective delivery against the public sector equality duty and have therefore influenced the content of dialogue and bidder proposals throughout the procurement process. These criteria were:
 - Effective management, sharing and use of data and insight to deliver a citizen-centric Council (5%)
 - Effective HR practices and professional development (5%)
 - High and measured customer satisfaction (6%)
 - Meeting the diverse needs of customers (4%)

The exempt report contains the evaluation scores that Capita received on these criteria.

- 5.12 The Council has undertaken thorough equalities impact assessments for the impact on employees with protected characteristics who work for the eight services in scope, and external customers with protected characteristics

served by the three services in scope with public-facing responsibilities – Customer Services, Revenues and Benefits, and Estates. This is in line with the Council’s approach to equalities as set out in the current Corporate Plan.

- 5.13 The Employee Equalities Impact Assessment has been updated at key milestones throughout the procurement process.
- 5.14 The Customer Equalities Impact Assessments on the bids could not be completed until Final Tenders were submitted because prior to this all service proposals were subject to change.
- 5.15 These assessments demonstrate that Capita has committed, as documented in its Final Tender, to continue those aspects of good equalities practice already undertaken by the Council, but also that Capita will enhance existing practice in a number of ways.
- 5.16 Significant changes that Capita intends to make to service design and delivery, which have been assessed for their impact on customers with protected characteristics include:
 - Greater use of automated and web-based self-service channels and social media for customers
 - Re-location of staffing to different parts of the UK.
 - Reduced staff headcount
 - Introduction of new technology for staff to use e.g. CRM
- 5.17 For all of these changes, there are mitigations in the form of commitments that Capita has made to ensure that customers receive a high quality service and to avoid detrimental impacts on individuals with protected characteristics. For example, Capita has committed to introduce an advocacy service for vulnerable customers to ensure they get the services they need without having to make repeat contact. Capita has also committed to maintaining the Council’s current arrangements for providing face to face services and not changing locations, staff numbers or opening hours, and to maintaining the free internet access available at public access points.
- 5.18 Significant changes that Capita intends to make to staffing, which have been assessed for their impact on employees with protected characteristics include:
 - Relocation
 - Redundancy
 - New structures
 - New working practices
- 5.19 For all of these changes, there are mitigations in the form of commitments that Capita has made to ensure that staff are treated fairly, including:
 - Full transition communication and engagement plan to integrate staff into new organisation quickly and effectively

- Minimising the impact of redundancy through growth into other partner organisations, redeployment throughout other Capita businesses, managing vacancies and temporary staff and natural shrinkage
- Occupational Health and Employee Assistance Programme
- Comprehensive training and development opportunities
- Undertaking a staff satisfaction survey within 6 months of the Service Transfer Date and annually thereafter, and putting in place a remediation plan with the staff forum to address issues identified where satisfaction decreases by more than 5%

5.20 The legal terms and conditions which will be entered into between the Council and Capita contain specific contractual obligations on Capita to assist the Council to satisfy its Public Sector Equality Duty. These provisions include, that insofar as the services constitutes the exercise of a public function, the service provider (and any service provider related party) shall in exercising that function, comply with the Public Sector Equality Duty. The legal terms and conditions also contain express contractual obligations which allow the Council to monitor and intervene (including Council "step in" to deliver a function should it need to do so) to ensure that the Council can satisfy its Public Sector Equality Duty. The contract also requires Capita to observe the Council's own equalities policy requirements.

5.21 Throughout the life of the contract, all service change proposals from Capita will need to be properly considered to ensure that due regard has been given to the Equality Duty, including appropriate publicity and consultation and equalities impact assessments, prior to any changes being implemented, with the results informing Council approval and any subsequent decision whether to put them into effect or not. Indeed, Capita has explicitly committed within its Final Tender to undertake all Equalities Impact Assessments required in order to comply with its contract with the Council and to enable the Council to comply with the Equality Duty.

1. The Council intends to monitor the delivery of the services during the transition to "go live" and following "go live" with its partner in order to continue to satisfy its Equality Duty. The EIAs will be kept under review through the mobilisation and contract period to:

- identify any changes
- ensure that mitigating actions identified are undertaken or planned in
- ensure that any necessary consultation and communication activities are taken with regard to specific change proposals, prior to any implementation decisions being taken

2. The Council will maintain proper supervision over its partner to ensure that it does comply with the Equality Duty. There are already numerous contract provisions, including reporting, monitoring, intervention and assistance to ensure that this takes place.

3. If any negative impacts from a particular service change are identified by an Equalities Impact Assessment during or after the mobilisation period, the cost

of mitigating these impacts in order to comply with the Equality Duty are at the partner's risk rather than the Council's.

- 5.22 In addition whilst the Council recognises that its compliance with the Equality Duty cannot itself be outsourced or delegated the partner is required by the contract to produce an annual report on its performance in delivering against the contract equalities clauses. As part of its contract monitoring arrangements, the Council will rigorously monitor the partner's adherence to equalities requirements and commitments.
- 5.23 Should the scenario arise in which the Council may wish to proceed with BT as its Preferred Bidder (for example in the event of Capita withdrawing) then BT's Final Tender would be subject to a full EIA prior to the decision to proceed.
- 5.24 The full equalities impact assessments can be found in Appendix B.

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

Finance

- 6.1 The **baseline budget** for the services in scope for NSCSO is £41.8m (expenditure). Of the total budget, £1.1m needs to be allocated to other One Barnet projects, as an element of support services are attributable to legal and Development and Regulatory Services (DRS). £1.9m is allocated to retained client functions, leaving a baseline of £38.8m attributable to the NSCSO contract. This is set out in the table below:

Expenditure baseline	£m
Baseline for in scope services	41.8
Attributable to legal, DRS	(1.1)
Retained client	(1.9)
NSCSO baseline	38.8

- 6.2 The services in scope for NSCSO include income budgets totalling £11.9m per annum.
- 6.3 The **Medium Term Financial Strategy (MTFS)** agreed by Council in March 2012 included savings attributable to NSCSO totalling £3.6m per annum. This reflected the prudent estimate of benefits from the NSCSO business case. Since that point, Cabinet on 7th November 2012 set out additional savings requirements of £2.7m for NSCSO for the years 2014/15 and 2015/16, reflecting the likely further cuts to public expenditure that will follow from the existing 2010 spending review settlement. So when taken together, the total savings requirement for NSCSO over the period 2013 to 2016 is £6.3m.
- 6.4 The guaranteed financial benefits arising from the Preferred Bidder recommendation include savings on the core transferring services (reduction in expenditure and increases in income), procurement savings on contracting activity across other Council services, and increases in collection of Council Tax. These financial benefits are as follows:

Guaranteed savings	Total over 10 years (£m)	Annual equivalent saving (£m)
Savings on core transferring services	70.1	7.01
Procurement savings	46.9	4.69
Council Tax collection	8.4	0.84
Total	125.4	12.54

- 6.5 The table above demonstrates that the original savings target derived from the Outline Business Case (£3.6m) and the additional savings target included in the Cabinet report of 7 November 2012 (£2.7m) totalling £6.3m per annum are exceeded by the “core” financial benefits in the Capita bid of £7.01m per annum. Over and above these savings on core services, there are additional benefits guaranteed on Council Tax collection and procurement which will further support the achievement of future MTFS savings.
- 6.6 A baseline of £90m per annum of contractual expenditure has been set against which bidders have guaranteed savings on procurement activity. This baseline excludes spend that will transfer to NSCSO (for example IT contracts), spend attributable to DRS and other One Barnet projects, and also spend that is funded through schools or the Housing Revenue account (as savings on these areas would not represent a saving for the Council’s general fund).
- 6.7 Additional income from Council Tax collection is set against the Council’s overall collection rate for Council Tax, rather than the “in year” collection rate. Increasing the “in year” collection rate does not represent an overall saving to the Council unless the total cash collected over time increases. The Council’s baseline for collection is approximately 98.5% and guaranteed benefits included in the table above represent increases above this level.
- 6.8 The savings on core services as set out above (£70m over 10 years) will be directly factored into the MTFS to support the requirement for savings over the period 2013-16. Additional guarantees on procurement savings will not be directly factored into the MTFS at this stage, but will help services (particularly Adults and Children’s services) to meet their additional savings targets beyond 2015.
- 6.9 The key proposals from the bidders are outlined in the Full Business Case (Appendix A) and their evaluation scores are shown in the Exempt Report.

Staffing

- 6.10 The Council has obligations to its staff both under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and the Council’s additional TUPE Transfer Commitments which it made to staff.
- 6.11 The Council will fulfil its TUPE duties to inform and consult staff through tripartite meetings between the Council, the new partner and the Trade Unions, which will begin in January 2013. In addition to the statutory processes, these tripartite meetings will manage the implementation of the TUPE Transfer Commitments.

- 6.12 Permission to implement the TUPE transfer of staff from the Council to the partner will be sought from the General Functions Committee on 29 January 2013.
- 6.13 The pensions implications will be put to the Pension Fund Committee on 18 March 2013 with a recommendation for the new partner to receive Admitted Body Status to the London Borough of Barnet Local Government Pensions Scheme. This request will be supported by a pension bond and admissions agreement.
- 6.14 Details of FTE reductions are contained within the Full Business Case (Appendix A), and are based on data provided to bidders on 28 May 2012. Updated figures will be provided to the new partner at the start and the end of the mobilisation period.
- 6.15 Details of the employee equalities impact assessment are summarised above in section 5, and in full detail in Appendix B.

Pre-Mobilisation Period

- 6.16 The Council has provided support to managers and staff throughout the procurement period through the provision of workshops covering the TUPE process, and the personal change process ('Change and Me'). In the period up to 18 January 2013 the Council has put the following arrangements in place to support staff:

Emotional support

- Counselling
- Employee Assistance Programme – Workplace Options – available 24/7
- Change and Me workshops

Practical Support

- Line manager and employee 1-1s with a template to collect issues and concerns. These will be held centrally and passed onto the Preferred Bidder when they arrive on site.
- TUPE Answers 1-1, run by HR, 2 hours everyday, starting Monday 26 November
- Single intranet page under NSCSO for all support matters, with TUPE FAQs updated weekly
- Workshops on Accessing the Hidden Job Market
- Email address for comments and concerns: employee.support@barnet.gov.uk

Manager Support

- 1 hour briefing sessions on 26 and 27 November 2012

Mobilisation of the Contract

- 6.17 The Council has a full staff mobilisation plan to ensure that all of the TUPE obligations with regard to informing and consulting are properly discharged.

- 6.18 From 7 January 2013 the Council will start working with the Preferred Bidder to merge plans, agree key milestones, and implement the staff mobilisation and transition plan set out in their Final Tender.
- 6.19 An important part of mobilisation is the release of staff from their duties to attend informative briefings, induction, one-to-one meetings, and pre-contract training on new systems and processes, so that they can start to understand the culture and working processes of their new employer. The Council recognises that release at the early stages of mobilisation will contribute to a smooth transfer of staff, and the process will be managed to ensure minimum disruption to the services supporting the Council and the residents of Barnet.

Procurement

- 6.20 The Council's procurement service is in scope to transfer to the new partner, with performance targets such as the 100% compliance of Council contracts with Contract Procedure Rules and relevant applicable legislation.
- 6.21 The partner has also committed to achieving savings on procurement spend held by the Council.

IT

- 6.22 The Council's IT service is in scope to transfer to the new partner, with performance targets such as the 99.9% critical system availability.
- 6.23 Capita's Final Tender contains extensive investment in refreshing and replacing the Council's infrastructure and core systems.

Property

- 6.24 The Council's Estates service is in scope to transfer to the new partner, with performance targets such as building compliance and asset utilisation.
- 6.25 Capita's Final Tender also contains a number of relevant strategic commitments, including:
- development of a property strategy allowing the Council (if it chooses) to exit NLBP 4 at the lease break date of Nov 2015 and NLBP 2 in 2020, taking advantage of any opportunity (with the agreement of the Council) to relocate staff to other accommodation offering better value for money at the time for the projected size of workforce.
 - Development of locality strategies for wards, beginning with Colindale, to support integrated service delivery.

Performance and Value for Money

- 6.26 Capita has guaranteed maintenance of inherited performance and service levels throughout the contract, with improvements in key areas such as IT incident resolution, pace of accounts closure, and user satisfaction across all support services.
- 6.27 Capita has committed 12% of its annual core services fee to the achievement of Key Performance Indicator (KPI) targets, with a deduction cap and termination point at 8% of its fee. This means that fee deductions can be made by the Council if performance targets are not hit. The basket of KPIs covers all eight service areas in scope.

- 6.28 Capita has committed to routinely report performance against both KPI targets and a broader set of Performance Indicator (PI) targets, which will be reviewed by a monthly operational board and a quarterly strategic board. Targets that are part of the Corporate Plan will also be reported to the Cabinet Resources Committee and the Overview & Scrutiny Committee as part of existing corporate performance reporting arrangements.
- 6.29 The Council can at any time require that new KPIs or PIs are introduced. Targets are reviewed as part of the annual service review. If the Council wishes to make targets more ambitious, it can use the change mechanism within the contract to facilitate this, where Capita is obliged to provide options for the Council to consider.
- 6.30 An annual review process, aligned with the Council's budget and business planning cycle, will include a report on prior year performance by the partner with comparison to available industry standards. In circumstances where the Council believes performance is not delivering best value it can serve an efficiency notice requiring the partner to build in improvement activities.
- 6.31 At the end of years 3 and 6 respectively, the partnership will undertake a more fundamental Outcome Review and the results of this will inform a partner requirement to develop options and an implementation plan for reducing cost and/or developing services further in line with the Council's strategic objectives at the time.
- 6.32 Externally commissioned performance benchmarking of the services can, at the Council's request, occur on three occasions in the first 10 year period.

Sustainability

- 6.33 The Council's contract has a sustainability clause, requiring (amongst other things) that the partner supports the Council in meeting its environmental targets and obligations, and adherence to a written environmental management strategy setting targets for carbon emissions, water usage, increased recycling rates and procuring sustainability and sustainable transport usage.
- 6.34 Capita has additionally committed to a KPI target to reduce energy use across the Council's office accommodation.

7. LEGAL ISSUES

- 7.1 The Council has been advised throughout this procurement by its external legal advisers Trowers & Hamlins LLP and, in relation to authority policies and third party contracts that will novate, by its in-house Legal Services department.
- 7.2 In accordance with the provisions of Regulation 18 of the Public Contracts Regulations 2006 (the **Regulations**), the Council has undertaken a thorough competitive dialogue with bidders for the NSCSO contract. The project team and project advisers have undertaken detailed negotiation of all elements of the Partnering Agreement clauses and schedules, including the financial and

technical schedules, with the goal of obtaining the most economically advantageous and technically sound proposals for the provision of the NSCSO services.

- 7.3 The competitive dialogue procedure concluded with the receipt of Final Tender submissions from BT and Capita on 25 October 2012. Council officers and project advisers have undertaken a thorough evaluation of the submissions in accordance with the published evaluation criteria (see Appendix A, Full Business Case, section 9, Project Approach).
- 7.4 As dialogue has now closed, the Regulations permit that the Council may only request a bidder to clarify, specify or fine tune a tender, but further detailed negotiation is no longer permitted.
- 7.5 The services to be included within the NSCSO contract include statutory functions under a wide range of legislation set out in Appendix C of this report.
- 7.6 The Council has well established legal powers to enter into a contract with an external service provider to deliver these services by virtue of Section 1 of the Local Government (Contracts) Act 1997, its duty of secure economy, efficiency and effectiveness in the provision of its services under section 3 of the Local Government Act 1999 ("best value"), its general power of competence under section 1 of the Localism Act 2011, section 111 of the Local Government Act 1972 and the Contracting Out (Functions of Local Authorities: Income Related Benefits) Order 2002 which later was made under the Delegation and Contracting Out Act Order 1994.
- 7.7 All matters which require a Council decision will continue to be subject to Council decision-making, as governed by the constitution and the scheme of delegation.
- 7.8 There are various activities within the eight services that the Council has chosen to retain in-house, which have been included within the design of the new Council Commissioning Group, which is the retained client function in the new Council structure. This includes the following statutory responsibilities that cannot be delegated to a third party:
 - Checking a sample of claims made for Housing Benefit and Council Tax Benefit to ensure they were processed accurately;
 - Claiming and receiving Housing Benefits subsidy from the Department for Work and Pensions;
 - Health and Safety; and
 - Liaison with the Local Government Ombudsman
- 7.8 Upon confirming all outstanding elements of the Preferred Bidder's proposals, and approval of the Preferred Bidder recommendation, the Council will enter into a Partnering Agreement with them for a 10 year period for the provision of the NSCSO services; the parties will also have an option to extend the contract term by a period or periods of up to an additional five years.
- 7.9 The contract contains detailed provisions to enable the Council to monitor the quality of the services, and the partner will be incentivised under a payment and performance mechanism to deliver to the standards set out in the detailed

output specifications for every service and through KPIs during the contract period and any period of extension.

- 7.10 The Council is protected against a number of potential risks by indemnities and the contractual obligations are backed up by a parent company guarantee from Capita Group plc, a company listed on the London Stock Exchange, and whose financial strength has been subject to assessment by the Council's finance team.
- 7.11 A bond will back up the partner's obligations with regard to staff pensions under the Local Government Pensions Scheme.
- 7.12 The Council is further protected in the contract against potential events of insolvency, poor performance, contractor default and force majeure through contractual provisions to terminate the contract early.
- 7.13 The Council also has the option to terminate the NSCSO contract voluntarily on six months notice subject to reimbursing the partner for any investment, the benefit of which the Council keeps (e.g. IT systems) and the return the partner would otherwise have made. This is usual in all contracts requiring major investment.
- 7.14 The Council also has a legal duty to continue to have regard to its obligations under the Human Rights Act 1998 (HRA) as a public authority which like the Equality Duty cannot be outsourced or delegated. Where the partner proposes any changes to the services throughout the life of the contract the Council will therefore consider any potential implications with regard to the potential impact of any change in service on service users, residents or other individuals in terms of compliance with its HRA duties and have due regard to them in any decision whether to bring such changes into effect.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Council Constitution, Part 3, Responsibility for Executive Functions – Paragraph 3.7 states the Cabinet may discharge any executive functions whether or not they are also delegated to officers.
- 8.2 This decision constitutes a key decision as it involves expenditure or savings in excess of £500,000 and has a significant effect on two or more wards.

9. BACKGROUND INFORMATION

- 9.1 In June 2011 Cabinet Resources Committee approved the Outline Business Case for the NSCSO project. This recommended that the Council undertake a procurement process to identify a strategic partner for the delivery of the following services:
- Corporate Procurement;
 - Customer Services;
 - Estates (Building Services, Property Services, Facilities Management) ;

- Finance;
- Human Resources;
- Information Systems;
- Revenues and Benefits and;
- Corporate Programmes.

9.2 A 'competitive dialogue' procurement process has since been completed to identify the best strategic partner for these services. Final Tenders have been received from two bidders – BT and Capita – and the outcome of the evaluation is a recommendation that the Council proceed with Capita as the Preferred Bidder.

9.3 This Full Business Case demonstrates how the Final Tender from Capita enables the Council to:

- meet the unprecedented financial pressures it is facing;
- invest in these customer and support services; and
- preserve and improve on existing service levels.

9.4 Capita's Final Tender contains a range of contractual guarantees to deliver or exceed the targeted benefits from the Outline Business Case approved in June 2011. The key benefits are described below.

Financial Benefits:

9.5 The Outline Business Case set out an expectation of financial benefits from the core services totalling £40.9m over a 10 year period. This was equivalent to an 11% saving on the transferring service budgets over the contract term.

9.6 Capita's offer includes guaranteed financial benefits of £70.1m over the contract term, or 18% against the transferring service budgets. This exceeds both the Medium Term Financial Strategy (MTFS) target of £3.6m in the current Council budget and the additional savings targets of £2.7m included in the Council's budget currently out for consultation for the period 2014-16.

9.7 In addition to these savings on core services, the preferred tender includes guaranteed procurement savings of £46.9m over the contract term. These will be achieved by getting a better deal from those areas where the Council currently contracts services from third parties. Capita is also guaranteeing increased Council Tax collection rates, providing a further £8.4m over the contract term.

9.8 In total, the guaranteed cashable financial benefit from entering into a partnership with Capita would be £125.4m over a 10 year period.

9.9 Capita's proposal also includes (within the financial offer described above) approximately £8m investment in areas such as information technology (computer hardware and software), and customer services. This investment not only enables Capita to deliver the transformation it is proposing, but also avoids the Council having to find money in the future to fund replacement technology for systems that are at or nearing the end of their useful life.

Benefits for Residents:

9.10 The preferred tender commits to providing Barnet's residents with an improved and more efficient process. This will be achieved through:

- An online 'citizen's portal' account, where a resident can see and manage all of their interactions with the Council's customer services in one place. As part of this, Capita will ensure free access to information about interactions the resident has with the new supplier of Development and Regulatory Services (such as planning, environmental health and building control) ('DRS').
- Better coordination across the public sector, so that people can easily access support from all appropriate providers when necessary. As part of this, the NSCSO supplier will advocate for vulnerable people to ensure that their requests are responded to without repeat contacts being needed.
- More sophisticated analysis of the information gathered by the Council, allowing for a more detailed understanding of the needs of individuals and specific groups and tailoring of service provision accordingly.
- Significant investment in best-in-class technology and staff capability, from the point of service commencement.

Benefits for Council staff:

9.11 Capita's offer includes:

- Investment in more efficient tools, data and processes, learning and development;
- Greater opportunities for flexible working including school hours/term time working options;
- A contractual commitment to maintain inherited service levels and increase staff satisfaction with the services provided to other areas of the Council for services such as finance and HR.

Benefits for members:

9.12 Members will receive directly relevant information about their wards and a wider summary of Borough-wide trends. Cabinet members will be able to monitor performance specific to their portfolios. Evidence of progress against strategic corporate objectives, projects and financial plans will be available to support scrutiny and governance processes.

9.13 All members will benefit from a more robust and resilient IS service supporting the technology they need to do their work.

Benefits for commissioners:

9.14 Capita's proposal includes a £2.3m investment in the data gathering and storage platforms required to undertake the complex analysis required to develop policy and commissioning strategies. Complementing this, a team of specialists will be provided to analyse the data as required by commissioners.

Benefits for schools:

- 9.15 The contract guarantees service levels for support to schools. Schools will benefit from a dedicated account manager and a web-based Schools Portal to enable them to access information and use systems directly themselves, rather than having to requisition support from the Council for every transaction. They will also be offered a 10% reduction on price from day one.

Benefits for community organisations:

- 9.16 The preferred tender includes a £500,000 Community Development Fund that builds capacity and capability to deliver services through providing mentoring, training courses and forums. The supplier will also provide an online Community Facilities Database and a Community Asset strategy.

Benefits for the local economy:

- 9.17 The preferred tender includes a programme for helping stalled and stagnated businesses within the Borough. Capita's confidence that they can achieve an increase in business sustainability is supported by a performance measure within the contract which will have a proportion of their fee at risk.

Benefits for transferring staff¹

- 9.18 The Preferred Bidder is committing to funding existing professional accreditations that need to be renewed and maintained. In addition to this, all managers will receive Manager Training from Capita's Learning and Development Academy. All transferring staff will benefit from a preservation of Terms and Conditions, including ongoing access to their current pension scheme.
- 9.19 The evaluation of the Final Tenders from BT and Capita has determined that the latter represents the best solution for the Council. This result has been reached using the objectives set out at the start of the procurement. It is recommended that this Tender is taken forward to contract signature as the preferred bid.
- 9.20 The Final Tender submitted by BT did not score as highly as Capita's. Evaluation has shown, however, that it would acceptably deliver the Council's stated requirements. It is, therefore, recommended that the BT Tender is designated as a reserve bid, which the Council may return to should it not be able to finalise contracts with Capita.
- 9.21 There remains the option of discontinuing the procurement process. However if the Council chose not to complete this procurement, it would have to:
- make significant cuts to customer and support services in 2013/14 in order to meet immediate budget pressures;
 - attempt to replicate the investment, technology and other solutions being proposed by Capita in order to drive out the future savings required;
 - at the same time attempt to maintain service levels in existing areas and develop further its own analytical capability to shape future commissioning.

¹ These are in addition to employee rights under TUPE and the additional commitments relating to terms and conditions that the Council guaranteed to staff.

9.22 The Council does not currently have sufficient capacity or expertise to guarantee that all of this can be achieved concurrently. Capita are offering these guarantees.

9.23 Therefore the recommendation is to enter into a partnership with Capita for the delivery of NSCSO services, with the intention of them commencing services in April 2013.

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	JH / MC
Cleared by Legal (Officer's initials)	Trowers & Hamlins

Full Business Case (FBC): NSCSO

Author:	Craig Cooper, John Hooton, John Newton, Kari Manovitch, Helen Mynett
Date:	21/11/12
Service / Dept:	Deputy Chief Executive's service

Approvals

By signing this document, the signatories below are confirming that they have fully reviewed the Full Business Case for New Support & Customer Services Organisation (NSCSO) project and confirm their acceptance of the completed document.

Name	Role	Signature	Date	Version
Andrew Travers	Interim Chief Executive		21/11/12	V1

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1. Executive Summary

In June 2011 Cabinet Resources Committee approved the Outline Business Case for the NSCSO project. This recommended that the Council undertake a procurement process to identify a strategic partner for the delivery of the following services:

- Corporate Procurement;
- Customer Services;
- Estates (Building Services, Property Services, Facilities Management);
- Finance;
- Human Resources;
- Information Systems;
- Revenues and Benefits and;
- Corporate Programmes.

A 'competitive dialogue' procurement process has since been completed to identify the best strategic partner for these services. Final Tenders have been received from two bidders – BT and Capita – and the outcome of the evaluation is a recommendation that the Council proceed with Capita as the preferred bidder.

This Full Business Case demonstrates how the Final Tender from Capita enables the Council to:

- meet the unprecedented financial pressures it is facing;
- invest in these customer and support services; and
- preserve and improve on existing service levels.

Capita's Final Tender contains a range of contractual guarantees to deliver or exceed the targeted benefits from the Outline Business Case approved in June 2011. The key benefits are described below.

Financial Benefits:

The Outline Business Case set out an expectation of financial benefits from the core services totalling £40.9m over a 10 year period. This was equivalent to an 11% saving on the transferring service budgets over the contract term.

Capita's offer includes guaranteed financial benefits of £70.1m over the contract term, or 18% against the transferring service budgets. This exceeds both the Medium Term Financial Strategy (MTFS) target of £3.6m in the current Council budget and the additional savings targets of £2.7m included in the Council's budget currently out for consultation for the period 2014-16.

In addition to these savings on core services, the Capita offer includes guaranteed procurement savings of £46.9m over the contract term. These will be achieved by getting a better deal from those areas where the Council currently contracts services from third parties. Capital is also guaranteeing increased Council Tax collection rates, providing a further £8.4m over the contract term.

In total, the guaranteed cashable financial benefit from entering into a partnership with Capita would be £125.4m over a 10 year period.

Capita's proposal also includes (within the financial offer described above) approximately £15.3m revenue investment in areas such as information technology (computer hardware and

software), and customer services. This investment not only enables Capita to deliver the transformation it is proposing, but also avoids the Council having to find money in the future to fund replacement technology for systems that are at or nearing the end of their useful life.

Benefits for residents:

Capita commit to providing Barnet's residents with an improved and more efficient process. This will be achieved through:

- an online 'citizen's portal' account, where a resident can see and manage all of their interactions with the Council's customer services in one place. As part of this, Capita will ensure free access to information about interactions the resident had with the new supplier of Development and Regulatory Services (such as planning, environmental health and building control) ('DRS').
- better coordination across the public sector, so that people can easily access support from all appropriate providers when necessary. As part of this, the NSCSO supplier will advocate for vulnerable people to ensure that their requests are responded to without repeat contacts being needed.
- more sophisticated analysis of the information gathered by the Council, allowing for a more detailed understanding of the needs of individuals and specific groups and tailoring of service provision accordingly.
- significant investment in best-in-class technology and staff capability, from the point of service commencement.

Benefits for Council staff:

Capita's offer includes:

- investment in more efficient tools, data and processes, learning and development;
- greater opportunities for flexible working including school hours/term time working options;
- a contractual commitment to maintain inherited service levels and increase staff satisfaction with the services provided to other areas of the Council for services such as finance and HR.

Benefits for members:

Members will receive directly relevant information about their wards and a wider summary of Borough-wide trends. Cabinet members will be able to monitor performance specific to their portfolios. Evidence of progress against strategic corporate objectives, projects and financial plans will be available to support scrutiny and governance processes.

All members will benefit from a more robust and resilient IS service supporting the technology they need to do their work.

Full policy and budgetary control and democratic oversight will be maintained

Benefits for commissioners:

Capita's proposal includes a £2.3m investment in the data gathering and storage platforms required to undertake the complex analysis required to develop policy and commissioning strategies. Complementing this, a team of specialists will be provided to analyse the data as required by commissioners.

Benefits for schools:

The contract guarantees service levels for support to schools. Schools will benefit from a dedicated account manager and a web-based Schools Portal to enable them to access information and use systems directly themselves, rather than having to requisition support from the Council for every transaction. They will also be offered a 10% reduction on price from day one.

Benefits for community organisations:

The preferred tender includes a £500,000 Community Development Fund that builds capacity and capability to deliver services through providing mentoring, training courses and forums. The supplier will also provide an online Community Facilities Database and a Community Asset strategy.

Benefits for the local economy:

The preferred tender includes a programme for helping stalled and stagnated businesses within the Borough. Capita's confidence that they can achieve an increase in business sustainability is supported by a performance measure within the contract which will have a proportion of their fee at risk.

Benefits for transferring staff¹

The preferred bidder is committing to funding existing professional accreditations that need to be renewed and maintained. In addition to this, all managers will receive Manager Training from Capita's Learning and Development Academy. All transferring staff will benefit from a preservation of Terms and Conditions, including ongoing access to their current pension scheme.

The evaluation of the Final Tenders from BT and Capita has determined that the latter represents the best solution for the Council. This result has been reached using the objectives set out at the start of the procurement. It is recommended that Capita's Final Tender is taken forward to contract signature as the preferred bid.

The Final Tender submitted by BT did not score as highly as Capita's bid. Evaluation has shown, however, that it would acceptably deliver the Council's stated requirements. It is, therefore, recommended that the BT Tender is designated as a reserve bid, which the Council may return to should it not be able to finalise a deal with Capita.

There remains the option of discontinuing the procurement process. However if the Council chose not to complete this procurement, it would have to:

- make significant cuts to customer and support services in 2013/14 in order to meet immediate budget pressures;
- attempt to replicate the investment, technology and other solutions being proposed by Capita in order to drive out the future savings required;
- at the same time attempt to maintain service levels in existing areas and develop further its own analytical capability to shape future commissioning.

The Council does not currently have sufficient capacity or expertise to guarantee that all of this can be achieved concurrently. Capita are offering these guarantees.

Therefore the recommendation is to enter into a partnership with Capita for the delivery of NSCSO services, with the intention of them commencing services in April 2013.

¹ These are in addition to employee rights under TUPE and the additional commitments relating to terms and conditions that the Council guaranteed to staff.

2. Introduction and Strategic Context

The London Borough of Barnet, like all other local authorities, is facing an unprecedented reduction in finances. The indications from Government are that further reductions will be made in the next Comprehensive Spending Review, extending the current period of austerity to the end of the decade. At the same time Barnet's population continues to grow, and this is likely to continue at a significant rate in the next ten years as a result of regeneration in the west of the Borough. This will lead to greater demands on frontline services, particularly those for adults and children with social care needs.

The One Barnet transformation programme was conceived against this backdrop, based around the following three principles:

- 1) A new relationship with citizens: services designed and delivered around customers' needs, provide the best possible customer experience, and enable customers to help themselves and each other including enabling self-service wherever possible.
- 2) A one public sector approach: services are in a position to support the requirements of all public sector partners and drive better multi-agency working
- 3) A relentless drive for efficiency: operate as efficiently as possible to minimise the cost of the service and maximise the accessibility of the service to customers; be innovative and take advantage of evolving technology, thinking and practice; maximise the value the Council achieves from all its assets (capital and revenue).

As part of this programme, the evaluation of options for the future delivery of a range of Council's customer and support services became a priority. These services are:

- Corporate Procurement;
- Customer Services;
- Estates (Building Services, Property Services, Facilities Management) ;
- Finance;
- Human Resources;
- Information Systems;
- Revenues and Benefits; and
- Corporate Programmes.

These services have a current gross cost (the baseline) of £38.8m per annum. A proportion of this cost is recouped from third parties, such as schools. These groups, which have independent funding or delegated budgets, have the discretion to buy their support from the Council or from a growing market of external providers. The remaining cost of these services is funded from the Council's base budget.

Parallel to this the demand from people to access customer services is likely to increase as a result of the predicted population growth in the borough, and the demands of an ageing population. This group of services therefore faces the dual challenges of increased demand and reducing income.

The Council has already delivered a number of internal improvement and transformation initiatives for these services. It has, however, reached the limits of its ability to deliver further savings without significant cuts and reductions in service levels. Consequently, there is a need for a fundamentally different approach that will allow the Council's strategic objectives to be delivered within the resources it has available.

In March 2011, Cabinet Resources Committee considered an options appraisal for these services. This appraisal evaluated six different options for achieving the savings and performance improvements required, and found that a strategic partnership² with a private sector partner would offer the greatest benefit overall. It recommended that a procurement process was initiated for the services in scope, subject to the approval of an Outline Business Case. The latter was subsequently approved by Cabinet Resources Committee in June 2011.

An Official Journal of the European Union (OJEU) notice for a competitive dialogue procurement was placed in June 2011. This was followed by a Pre-Qualification Questionnaire down-selection, which identified those bidding companies with the technical and financial standing required by the Council. Dialogue with four bidders commenced in September 2011. In February 2012, Outline Solutions from all 4 bidders were evaluated and, following Cabinet Resources Committee approval of an updated Business Case, dialogue continued with 2 bidders. On 25 November 2012 the competitive dialogue procurement process concluded with the submission of Final Tenders from BT and Capita.

These Final Tenders have been evaluated by the Council in accordance with the published evaluation criteria, and the highest scoring bidder is recommended as the Council's Preferred Bidder for the 10 year strategic partnership contract.

This Full Business Case sets out the financial and non-financial benefits offered by this Preferred Bidder in their Final Tender. These benefits exceed those forecast in the Council's Outline Business Case. This Full Business Case also identifies how the Council will assure the delivery of these benefits through the implementation and subsequent successful management of the contract.

3. Options

The March 2011 options appraisal evaluated six different delivery options³. The private sector strategic partnership was the highest scoring of these, based on the benefits required by the Council (which were subsequently set out in the Outline Business Case in June 2011).

Both BT and Capita have produced Final Tenders that meet, and in places exceed, the benefits in that Outline Business Case.

The table below presents five options currently available to the Council. Option 2 (proceed to contract signature with the Preferred Bidder) is the only credible option to deliver the investment and remodelling necessary to achieve the financial savings, service levels and strategic benefits that the Council requires.

The risks associated with this option are considered capable of management/mitigation and the processes for dealing with these are set out in the Risks section of this Full Business Case below.

² A long term partnership through which a commercial organisation takes on the management of one or more services for a Council, using its existing know-how, resources and capability and investing as required to transform processes and functionality within those services and takes an appropriate level of risk on the successful delivery of outputs and outcomes.

³ In-house transformation; Consulting-led transformation; Shared Service with a public sector organisation; Strategic Partnership; Incremental Partnership; Joint Venture

Table 3.1 - Refresh of Options Appraisal Summary for NSCSO

Option	Advantages	Disadvantages
<p>1. Do nothing - abandon the procurement and retain the services in-house</p>	<ul style="list-style-type: none"> • The Council retains complete control over service delivery and how savings are achieved • No services are re-located • The Council would avoid the effort involved in transferring the services and setting up a contract management team • The Council would avoid the risks of poor contractor performance and poor contract management 	<ul style="list-style-type: none"> • The Council has limited capability to secure and manage the significant investment, transformation and remodelling required for these services to preserve service levels, achieve strategic objectives and reduce cost • The services will have to be reduced in order to deliver the savings required by the Medium Term Financial Strategy, and this would severely jeopardise the ability of frontline delivery units to work effectively • The services are unlikely to contribute to any of the Council's strategic objectives of new relationship with citizens, one public sector approach or relentless drive for efficiency • The Council retains all risk relating to the quality of service delivery and how future savings are achieved • The Council would still need to invest substantially in replacing IS infrastructure that is now at the end of its useful life.
<p>2. Proceed to contract signature on the Preferred Bidder recommendation</p>	<ul style="list-style-type: none"> • The Council secures upfront investment in the technology and transformation required by the services which it is able to pay back over the life of the contract • The Council achieves, and in many places exceeds the financial and non-financial benefits required by the Outline Business Case • The Council transfers the risk of the quality of service delivery and the achievement of savings to the partner • The Council benefits from the external expertise, innovation and commercialism of a long- 	<ul style="list-style-type: none"> • Whilst the risk of delivering these benefits will be substantially transferred to the Partner under the contract, the Council retains risk that may be broadly summarised as: (i) the partner fails to fulfil its contractual commitments or (ii) the Council does not fulfil its own obligations thus preventing the benefits from being achieved.

Option	Advantages	Disadvantages
	<p>term strategic partnership</p> <ul style="list-style-type: none"> • The Council frees itself from day to day delivery of non-core services so that it can focus on strategy, evaluation and commissioning • The Council is able to hold the service provider to account pursuant to the contractual arrangement and incentivise performance through a price/performance mechanism 	
<p>3. Proceed to contract signature on the Preferred Bidder recommendation but reduce the scope of the contract</p>	<ul style="list-style-type: none"> • The Council can select those services the Council believes would benefit most from outsourcing or carry least risk 	<ul style="list-style-type: none"> • The Public Contracts Regulations (Regulation 18(29)) limits what an authority can do following close of dialogue to "clarify and confirm commitments" – reduction in scope would contravene this. • The size of the contract provided the bidders with scope to offer the Council significant financial and non-financial benefits. Reduction in scope would require recalibration of deal and affect the attractiveness of the business case to both parties, and potentially result in the preferred bidder walking away and initiating a legal challenge • Any reduction in scope of service also has to be considered in the context of the European Regulations governing procurement. Removing services from scope widens the field of companies who would have viewed themselves as having the requisite capability to deliver the contract, and there is a risk that such companies would bring legal action against the Council for denying them opportunity to provide the reduced scope of services. This would result in the current contract being suspended or deemed void and the Council would have to undertake a further procurement exercise incurring further costs and time delays

Option	Advantages	Disadvantages
4. Abandon this procurement and research alternative delivery models	<ul style="list-style-type: none"> • Council would avoid the effort involved in transferring the services and setting up a contract management team • Council would avoid the risks of poor contractor performance and poor contract management by the Council 	<ul style="list-style-type: none"> • This has the same disadvantages as option 1 • This would incur more funding from the Council's transformation reserve than is budgeted for • This would further delay the timetable for releasing the savings required by the MTFS leading to immediate pressure on front line services over the next 12-24 months; • The Council would need to build in substantial provision for the risk of not achieving the planned benefits.

4. Expected Benefits

The Outline Business Case approved by Cabinet Resources Committee on 29 June 2011 identified a number of benefits that the project would be required to deliver, in the following categories:

- Financial benefits
- Strategic benefits
- "A new relationship with citizens"
- "A one public sector approach"
- "A relentless drive for efficiency"

The benefits committed by Capita are summarised below in Table 4.1. Within the contract, these are evidenced and supported by detailed service delivery and resourcing plans.

Table 4.1 Benefits provided by Capita's offer

Outline business case (June 2011)	Contractual commitments in Capita's Final Tender
Financial benefits: Deliver a minimum saving of 11% on the cost to the Council over the ten years	<p>Benefits exceeded:</p> <ul style="list-style-type: none"> • Guaranteed Core Services Price Reduction Years 1-10 of 18.1% (£70m), starting at 15.5% in 2013/14 • Guaranteed Operational Net Cost Reduction by Year 10 of 45% • Guaranteed aggregate Net Financial Benefit Years 1-10 of £125.4m <p>Protection for future change:</p> <ul style="list-style-type: none"> • A commitment to absorb £1.5m of changes required as a result of any relevant new legislation over the life of the contract • Absorption of 10% additional key volumes e.g. contact centre demand; e.g. changes in Council tax property base, number of invoices processed etc. without increasing the price. • If universal credit results in benefits processing moving away from the Council, this will result in a volume adjustment to the

Outline business case (June 2011)	Contractual commitments in Capita's Final Tender
	<p>price which will provide a proportionate saving to the Council</p> <ul style="list-style-type: none"> • Obligation to provide options to reduce service fees in response to Council budgetary constraints, with reprioritisation as the first consideration
Strategic benefits	<p>Officers and members will have access to:</p> <ul style="list-style-type: none"> • a much wider range of data; • the means by which this can be turned into information and insight that can then be used to improve service delivery across the Council, and better commission projects targeted at making Barnet a more successful and prosperous suburb. <p>This will be underpinned by £2.3m investment in the technology required to collect and store data and a 4.3fte insight team. A dedicated Information Service will provide much more sophisticated and tailored ward and management information to members enabling them to take better decisions in respect of their ward constituents and also for the Borough as a whole.</p> <p>Improve local business sustainability, measured via the survival rates of VAT registered businesses after 3 years, with fee at risk if this is not achieved.</p> <p>Meet the London Procurement Pledge when placing contracts helping to promote youth employment within the Borough through apprenticeships, graduate placements.</p> <p>Facilitate Local Business Development Boards of local suppliers to increase the visibility of opportunities and encourage local business to work together to respond to these opportunities.</p> <p>Provide training, mentoring, work experience and other education initiatives for school pupils to improve employability guided by insight drawn from surveys of the destination of school leavers to measure the impact and refine the support as required.</p> <p>Work alongside other local government bodies/charities to identify revenue-generating ideas to improve the quality of services for the community (e.g. combined regeneration bids for grant money with local housing associations, lottery funding applications to support local children's charities).</p>
Deliver benefits in support of New Relationship With Citizens	<p>Residents will be able to view their interactions with the Council, obtain information easily and self-serve, underpinned by £3m investment in the development of customer relationship management technology, including an online account.</p> <p>The Service Provider will act as an advocate for the Authority's vulnerable customers, ensuring that they are put in contact with the correct Service Provider and that their enquiry is fulfilled without the</p>

Outline business case (June 2011)	Contractual commitments in Capita's Final Tender
	<p>need to make repeat contacts.</p> <p>Commitment to reach customer satisfaction levels of 80% by year 2, 85% by year 3 and 90% by year 5.</p> <p>All interactions with Barnet's residents will be recorded in one place to give both them and the Council a richer understanding of their needs at any given time, particularly in relation to key 'Life Events' (birth, deaths, illness, unemployment, etc.). This is underpinned by £1.4m investment in a CRM system, £2.16m in a Single Customer View system and £1.2m investment in a Knowledge Management system.</p> <p>Residents will have the opportunity to be involved in the development and redesign of services they receive, with £720K being allocated to support this.</p> <p>Commitment to reducing/diverting demand for the direct provision of frontline services, whilst at the same time preserving/improving the speed and effectiveness of the measures in place to resolve residents' needs (Capita's fee is at risk for failure to hit a range of targets including customer satisfaction, first contact resolution etc.)</p> <p>Before month 18 Capita will have developed outline locality strategies in relation to all the wards in Barnet.</p>
<p>Deliver benefits in support of One Public Sector approach</p>	<p>The single view of the customer will be used to help co-ordinate public service in the Borough.</p> <p>A partnership approach will be developed so that public, private and third sector support can be accessed through a single route. This will be underpinned by a Community Development Fund that builds capacity and capability through providing mentoring, training courses and support.</p> <p>Traded services offer to schools and other third parties will be continued and enhanced.</p> <p>Customer and other support services are extendable to other partners.</p> <p>A transitional service will be provided to DRS, including access to the customer services platform, to support integrated working and support to the customer.</p> <p>An online Community Facilities Database will be developed, as will a Community Asset strategy. The latter will focus on the use of community assets, how these assets may pay for themselves, how they can support localism and other policies and how they can meet the requirements of Community Groups.</p>

Outline business case (June 2011)	Contractual commitments in Capita's Final Tender
	<p>Within 6 months Capita will develop a locality strategy for Colindale, aligned to the customer access strategy, to support integrated service delivery in this area of the Borough.</p>
<p>Deliver benefits in support of Relentless Drive for Efficiency</p>	<p>Guaranteed maintenance of inherited performance and service levels throughout the contract, with improvements in key areas such as IT incident resolution, pace of accounts closure, and user satisfaction across all support services.</p> <p>Council staff in frontline services will be better supported to do their jobs with investment in tools, data and processes, learning and development, accommodation, and a flexible working initiative called the 'Agile Workplace Programme'.</p> <p>Moving away from fixed IT infrastructure to externally hosted and shared platforms, underpinned by a £1.5m investment in data centre migration, freeing up physical office space and allowing payment to be based on usage.</p> <p>Implement a Members Out of Hours IT support service within the first 12 months, as part of the dedicated members IT service available from service commencement.</p> <p>Continuous improvement through the life of the contract supported by a combination of benchmarking and annual service reviews, transformation business cases and increasingly challenging performance targets over the life of the partnership. There are also commitments to extend the Customer Services Organisation to a broader range of Council services.</p> <p>There is a proposal for further savings, to be delivered by taking a managing agent role with the Council's other major delivery partnerships. Collaboration with these partners to extract further efficiency savings is also proposed. Capita have also offered a commitment to the agreement of wider corporate outcome-based targets once the services are transformed and stabilised.</p> <p>Capita will respond with options to all future Council budget savings requirements, with reprioritisation as the first approach.</p> <p>Capita will develop a property strategy allowing the Council (if it chooses) to exit NLBP 4 at the lease break date of Nov 2015 and NLBP 2 in 2020, taking advantage of any opportunity (with the agreement of the Council) to relocate staff to other accommodation offering better value for money at the time for the projected size of workforce.</p>

MANAGING AGENT PROPOSAL

Capita's offer also includes a proposal to, through the activities of the transferring procurement function, support the Council's supplier management activities across the wider network of delivery partners.

Capita would act as a 'Managing Agent', on behalf of the Council: the Council's Commissioning Group would still retain all direct contract or service level agreement relationships with its delivery partners, but Capita would support the Commissioning Group in procuring, performance managing and ensuring accountability of all key internal and external partners against targeted Council outcomes.

For externalised partnerships the Managing Agent would assist in:

- aligning delivery partner specifications and contractual requirements with the Council's strategic objectives;
- promoting collaboration between delivery units to achieve efficiencies that would be shared with the Council as client;
- optimising the right mix of provision between internal, external and social enterprises;
- developing the local economy using capacity building activities for local firms and third sector organisations (thus better enabling them to become part of the Council's supply chain);
- optimising the usage and deployment of shared supply chains to generate efficiencies that would otherwise not be apparent to the individual delivery partner organisations.

For internal delivery units this role could also extend to:

- supporting cultural change;
- driving continuous improvement;
- providing the technology platform, commercial know-how and reporting toolsets to enable each internal delivery unit to demonstrate the same level of accountability as externalised services.

Capita would bring additional commercial and contract management expertise, transformation capability and the ability to extend its own technology implementations for the transferring services into other areas of the Council where it would be beneficial to do so.

Benefits would take the form of:

- savings across the Council's wider supply chain – based on their assessment of the addressable spend associated with these services, Capita have proposed a gainshare model of savings and are prepared to guarantee £20m of such savings to the Council over the 10 year term.
- greater assurance of delivery across the range of partnerships – Capita would aim to manage, maintain and improve the performance of the relevant contracts. Clearly the responsibility for delivering this performance rests with the partners themselves, but Capita would be contractually accountable to the Commissioning Group for its success in managing those suppliers.

However there are a number of factors over which the Council should obtain certainty before commissioning this role:

- the Council's Commissioning Group roles are still in the process of being filled and therefore the precise 'best-fit' between a Managing Agent and client-side structure is yet to be determined;
- the addressable spend assumptions upon which the Managing Agent savings commitment is based may change as the budget for 2013/14 and when the outcome of the DRS procurement is finalised;
- the implications of Capita acting as managing agent to the DRS partner may differ depending on which company is successful in that procurement process.
- The legal implications in terms of compliance with restrictions under procurement law, prevention of conflicts of interest and a need to dovetail with existing signed contractual arrangements.

The contract developed through dialogue includes a comprehensive business case-led project approval process. This process allows extensive due diligence, risk assessment and challenge through a series of governance processes to make sure that the proposal is robust, deliverable and fits precisely with the new Council structure.

It is therefore recommended that Capita is instructed to prepare a business case that sets out in detail the Managing Agent approach and benefits in more detail, allowing a decision to be made on implementation following the appointment of the DRS preferred bidder (but prior to the planned service transfer dates for NSCSO).

The benefits relating to the Managing Agent proposal have consequently been excluded from the financial appraisal in Section 6.

5. Equalities Impact Assessments

Equality and diversity issues are a mandatory consideration in decision making by the council pursuant to the Equality Act 2010. This means the council and all other organisations acting on its behalf must have due regard to the equality duties when exercising a public function.

The three limbs of the public sector equality duty involve the need:

- To eliminate discrimination;
- To advance equality of opportunity by removing disadvantages from particular groups, meeting the needs of particular groups and encouraging under-represented groups to participate in public life; and
- To foster good relations between those sharing and those not sharing protected characteristics by tackling prejudice and promoting understanding.

The duty should be applied before a decision is made and be part of the decision-making process.

The protected characteristics under Equalities legislation are: Age, Disability, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sex, Sexual Orientation.

The legal terms and conditions which will be entered into between the Council and Capita contain specific contractual obligations on Capita to assist the Council to satisfy its Public Sector Equality Duty. These provisions include, that insofar as the services constitutes the exercise of a public function, the service provider (and any service provider related party) shall in exercising that function, comply with the Public Sector Equality Duty. The legal terms and conditions contain express contractual obligations which allow the council to monitor and

intervene (including council "step in" to deliver a function should it need to do so) to ensure that the council can satisfy its Public Sector Equality Duty. The contract also requires Capita to observe the Council's own equalities policy requirements.

The Council has assessed the staffing and service changes being proposed by Capita as part of its Final Tender, and considered whether it will have an impact on customers or employees with any of the protected characteristics in terms of three limbs of the public sector equality duty – discrimination, equality of opportunity, and good relations.

Four equalities impact assessments have been completed by the Council:

- Customer (covering changes to the three public facing services, Customer Services, Revenues & Benefits and Estates)
- Employee

Having considered these issues in detail, it is the Council's view that the overall impact on all groups with protected characteristics in the borough in terms of their access to and use of these services, the council's ability to tackle discrimination and advance equality of opportunity, is likely to be positive. Where there are potentially negative impacts, there are mitigations proposed by Capita or the Council. There is likely to be a neutral impact on good relations between those sharing and those not sharing protected characteristics.

In relation to the impact on staff with protected characteristics, it is the council's view that the overall impact on employees with protected characteristics will be neutral.

These assessments will be kept under review throughout the mobilisation and contract period to:

- identify any changes
- ensure that mitigating actions identified are undertaken or planned in
- ensure that any necessary consultation and communication activities are taken with regard to specific change proposals, prior to any implementation decisions being taken

Throughout the life of the contract, all service change proposals from Capita will need to be properly considered to ensure that due regard has been given to the Equality Duty, including appropriate publicity and consultation and equalities impact assessments, prior to any changes being implemented, with the results informing Council approval and any subsequent decision whether to put them into effect or not. Indeed, Capita has explicitly committed within its Final Tender to undertake all Equalities Impact Assessments required.

The full EIAs are provided as Appendix B to the Cabinet report.

6. Risks

Introduction

The commercial case for this partnership is supported by a contract under which a number of risks relating to the delivery of the benefits set out in Section 5 are transferred in whole, or in part, to the NSCSO partner. The Council has followed the principle of transferring only those risks that are economic to transfer, testing each of the key areas as part of the competitive dialogue process. A summary of the key commercial risk areas identified by the Council is

provided in the table below, following which the proposed contractual protection and/or mitigating activity is described in more detail.

Table 5.1: Key Commercial Risk Areas

Risk Area	Potential Causes of Failure	Owner	Consequence of Failure
Financing	Insolvency	Partner	Low Level – distracted management, investment delayed, resources diverted to areas of greatest financial liability High Level – company collapses, abandons partnership
	Change in ownership	Partner	
	Inability to source investment capital	Partner	
	Over-dependency on procurement savings	Council	
Financial Probity	Lack of transparency in partnership finances	Partner/Council	Low Level – Council cannot establish the VFM of individual projects High Level – Council is susceptible to fraud and/or mis-reporting of costs, income, project gain share and overall financial performance of the partnership
	Uncertainty over what is in or outside the core price and being charged 'extra'	Council	
	Weak commercial terms for additionally commissioned projects e.g. guarantees and gainshare	Council Partner	
	Unilateral exploitation of intellectual property by partner	Council/Partner	
Ongoing value for money of core service	Inflexible design that does not respond to future customer needs	Partner	Low Level – Services do not achieve expected productivity gains over life of partnership High Level – Council unable to deliver revised strategic agenda
	Inadequate technology refresh capability / resource	Partner/Council	
	Change in Council priorities/policies	Council	
	Inability to reduce annual charge to meet further budget reduction demands	Partner/Council	
Core Service Performance/	Inadequate specification	Council	Low Level – service quality reduces

Risk Area	Potential Causes of Failure	Owner	Consequence of Failure
Availability	Inadequate design and/or methods	Partner	High Level –failure/outages causes financial loss and/or severe impact upon service users
	Inadequate resourcing	Partner	
Resilience	Force majeure event	Council	Low Level – Council requires additional resource to manage handover on expiry High Level – Council suffers major / extended service outage
	Inadequate business continuity arrangements	Partner	
	Inadequate transition arrangements	Partner	
	Inadequate exit arrangements	Partner	
Volume / change in demand	Increase in demand as a result of demographic Changes	Council	Low Level - Service Unit cost does not deliver VFM as demand reduces High Level – Partnership becomes uneconomic for NSCSO partner
	Unplanned redirection of or generation of demand by other delivery partners	Partner/Council	
	Increase in failure demand	Partner	
Commissioned Projects	Inadequate design	Partner	Low Level – Projects achieve outputs but overall outcomes not delivered High Level – unable to commission, or failure of complex projects due to conflicting delivery partner interests
	Inadequate commissioning	Council/Partner	
	Lack of collaboration between delivery partners	Council/Partner	

FINANCING

Capita has planned investment of £17.5m to transform the services. This investment will be used to fund a combination of:

- Technology implementation;
- Process re-engineering;
- Change management; and
- Staff redeployment/redundancy costs.

This investment will be made by the NSCSO for the most part in the early years of the partnership and recovered through the core service payments made by the Council.

Individual projects commissioned by the Council throughout the life of the partnership will in general be developed on a risk reward basis, with payments dependent upon delivery of specified benefits and outcomes. This means that for a significant proportion of the partnership the Partner will be required to run a level of working capital/project finance before becoming cash positive in later years. This is not unusual in strategic partnerships but the Council will wish to be assured that (i) it has up to date information at all times on the financial standing of the partner and (ii) appropriate protections are in place in the event that there is a material deterioration.

The Council has already undertaken a test of financial standing as part of the pre-qualification process and this has been updated for the latest financial information reported by Capita. The Council is satisfied that there has been no material adverse change in the financial standing of Capita in the period between pre-qualification and the date of this report.]

In the event that the financial position of the partner deteriorates in the future, the mitigations in place are as follows:

Financial Distress: If the partner reports a profits warning or similar to the Stock Exchange, or if key financial ratios deteriorate beyond specific thresholds then the Council may require the partner to provide and enact a plan to ensure continuity of service provision to the Council. This intervention might be operational or commercial in nature depending upon the circumstances of the distress event and any such plan will require the Council's approval.

If the Distress were to continue and result in an insolvency of the partner or one of its key sub-contractors then the Council may rely upon a **Parent Company Guarantee (PCG)** provided by the Partner's ultimate owner. The existence of the PCG forces Capita Group as parent to ensure the obligations of the partner are delivered – i.e. it cannot get out of the contract simply by liquidating the relevant subsidiary.

In the event of insolvency however the Council does have the **ability to terminate**. Whilst any settlement on termination may involve some payment to the Partner for assets which the Council wants to acquire in order to continue service delivery (and where these have not already been fully paid for through previous service payments), amounts due to the Council for e.g. re-procurement of a replacement provider etc. may be set off against these sums, minimising the Council's financial exposure.

Deal Structure: The Council has required bidders to provide a balanced financial offer with separate targeted levels of benefits from core services operational costs, procurement spend reductions and other non-core benefits. No one area of benefits is subsidised by another and so there is less risk of the partnership failing due to over-reliance on one activity.

CORE SERVICE PERFORMANCE / AVAILABILITY

The evaluation process reviewed the operational and commercial underpinning behind each substantive commitment made by bidders. In doing so the Council has satisfied itself that the service standards and are capable of being delivered by the solution put forward by the preferred bidder. To incentivise this delivery throughout the period of the partnership, the Council has the following remedies available, in ascending order of impact.

The lowest level issues may be dealt with through the **partnership governance** processes. These processes include the creation of an **Operations Board**, which will be the regular forum to discuss general performance against performance indicators (PIs), key performance

indicators (KPIs) and general obligations of the Partner. The Contract obliges the partner to monitor the PIs and KPIs and report this performance to the Operations Board. Were an element of performance to be unsatisfactory it would be this Board that recommends any remedial activity.

If performance against KPIs does not reach the required standard then a **Price Performance Mechanism** will be used to apply deductions to the monthly service charge. The amount of any individual deduction will depend upon the severity, duration and relative importance of the failure. Overall, Capita has put at risk 12% of its core services fee to the achievement of KPI targets, with an annual deduction cap and termination point at 8% of its fee. The mechanism also includes a ratchet, which increases the level of deductions if the failure persists. The basket of KPIs covers all eight service areas in scope. If the failure is so severe as to materially adversely affect the Council's ability to carry on its business then the entirety of that element of the service charge will be deducted (**no-service no-fee principle**).

If performance against a particular component of service deteriorates to a point where the Council would wish to temporarily **Step-In** to manage the delivery of the service whilst the Partner resolves the issues causing the problem then it may do so, reclaiming the cost of such step-in from the Partner. This ensures the Council is not left in a position where a failing service is not remedied.

The final remedy in the event of material or persistent breaching of its obligations by the Partner is **Termination**. This may be in whole or in part. If the Partner is terminated in the way then it is liable to reimburse the Council for its reasonable costs for re-procurement.

This series of escalatory actions ensures the Council always has a proportionate remedy available to it in the event performance not being at the required levels. The Council will also be able to enforce similar provisions on behalf of the Borough's schools (who themselves will have the discretion to opt out and source their own support services - as they are able to do currently)

Where a failure in Capita performance leads to a direct financial loss on the part of the Council, the contract allows the Council to claim this back from Capita.

COMMISSIONED PROJECTS

There is potential for the NSCSO partner to play a significant part in delivering commissions and projects on behalf of the Council, either alone or in collaboration with other delivery partners. Such projects will be commissioned according to circumstances are impossible to specify in detail at the outset of the partnership and hence the Council must create a framework for approving projects and managing the benefits that ensures each delivers value for money and the partner(s) take on an appropriate share of the risk of achieving the project benefits.

The measures put in place to ensure this are:

No exclusivity – the NSCSO partner will be able to propose projects to the Council at any stage, but the Council will retain the right to commission from elsewhere. This decision may be taken at the outset of a project or for example following the acceptance of an outline or full business case.

Project Approval Procedure – set out in detail as a schedule to the contract this procedure ensures:

- (i) standardised business case based methodology for generating, assessing and approving projects;
- (ii) project benefits and the processes for realising them defined at early stage;

MANAGING AGENT

Where the Council requires a number of organisations to work together, the NSCSO partner may be tasked with integrating their work and promoting effective collaboration. This transfers a significant element of the risk of conflicting partner objectives, disputes or other inefficiencies in the supply chain to the NSCSO partner.

RESILIENCE

Various aspects of business continuity and resilience become issues throughout the partnership - on service transfer, through transformation, during stable operation of the chosen model and finally on hand back/handover at the end of the partnership.

The Council's protection in each of these stages is provided by:

- Contractual obligation to deliver key performance indicators from the date of service transfer until the final day of the partnership. Capita has committed 12% of its annual core services fee to the achievement of Key Performance Indicator (KPI) targets, with a deduction cap and termination point at 8% of its fee. This means that fee deductions can be made by the Council if performance targets are not hit. The basket of KPIs covers all eight service areas in scope;
- Contractual obligation to provide business continuity and specifically preserve the ability of the Council to continue to deliver the services at the end of the partnership. Contractual obligation for the provider to prepare a business continuity plan for its services and refresh this regularly.

It is worth noting that currently the Council's servers are located within the NLBP campus. The proposed solution includes a transition to off-site storage with redundancy/resilience built in.

ONGOING VALUE FOR MONEY

Capita's proposal provides an immediate reduction of 15% on the baseline cost of core services and 18% overall over the life of the partnership. This is a net figure (i.e. after recovering the costs of transformation and partner overhead/profit) and at the end of the contract the operating cost of the services would be 45% lower than the comparable baseline. This is all due to the initial transformative activity.

The NSCSO partner is incentivised to continue to review target service levels and search for further value for money improvements during the whole life of the contract. Key components of the contract supporting this are:

- (i) **Annual Service Review** – this is a process that aligns each year with the Council's budget cycle. The Council will identify any change to the MTFs or annual savings targets that impact upon the Partnership and inform the bidder of any changes to the trajectory of savings required. The Review will be informed by a report on prior year performance by the Partner with comparison to available industry standards. In circumstances where the Council believes performance is not delivering best value it can serve an efficiency notice requiring the Partner to build in activities to improve efficiency in the relevant areas into the following year's annual service plan.

- (ii) **Continuous Improvement Plan** – The Contract includes a continuous improvement plan with obligations for the NSCSO partner to identify opportunities for improvement through the life of the partnership
- (iii) **Managing Agent** - the NSCSO Partner has committed to achieving a target of £20m savings over and above those which are guaranteed by other delivery partners across their respective budgets. This will incentivise collaboration and cross-cutting efficiency activity throughout the term of the partnership.
- (iv) **Review Points** – The Council may change its priorities over the life of the partnership. At the end of years 3 and 6 respectively the Council will undertake an Outcome Review and the results of this will inform a Partner requirement to develop options for reducing cost and/or developing services further in line with the Council’s strategic objectives at the time. For the latter, the incentivisation will include a subsequent decision by the Council whether to extend or re-procure the partnership prior to the end of the 10 year initial term
- (v) **Uplifts in required performance:** Capita have committed to (at a minimum) maintain the performance of the services against the KPIs for the duration of the partnership and in a number of cases have made commitment to increasing these levels over the same period. If a benchmarking review determines that there is potential to improve service value for money through increased performance then Capita will be obliged to make proposals to secure this improved VFM.

VOLUMES & CHANGES IN DEMAND

The Council will, through the proposals included in its budget and business plan, become an organisation that directly employs significantly fewer staff over the next few years. As a consequence, the need for support services to the retained organisation will decrease in volume. This presents risk in the event that the provider of support cannot proportionately scale down the cost of its services. This is particularly the case in terms of major application licences and IT platform costs. The Council evaluation team has tested the scalability of solution proposed by Capita and found this to be robust. Capita has offered a tolerance of up to 10% across a range of volume variables within which the price will not change.

Capita have identified the price impact of such increases in activity as part of their financial modelling so that the Council can model the sensitivities (see Section 8 of this business case for more detail)

The additional customer contact that would trigger a volume adjustment is through telephone volumes (i.e. excluding web, email and face to face).

Upwards pressure on contact centre volumes can come from a number of sources – including the Partner’s own failure. The Council is protected against the latter through:

- (i) The price performance mechanism which includes measures such as the proportion of issues dealt with at the first point of contact and customer satisfaction ratings;
- (ii) The partner does not get an automatic increase in prices as a result of tolerances being breached but has to mitigate, offer reprioritisation options for the Council and if neither of those routes are possible it then has to justify to the Council the extent of the cost increase as part of the change control procedure;
- (iii) The Council has a right access to the supporting volumes data and can audit whether the claims of the partner are accurate.

FINANCIAL PROBITY

The Council has secured a fixed price for the delivery of the specified core services.

However:

- (i) this price will change due to inflationary (indexation) adjustments on an annual basis;
- (ii) the price may change if the Council requires the scope or standards of service to change;
- (iii) projects and commissions will require new costed business cases from time to time;
- (iv) the Council will wish to avoid any excessive profiteering by the partner through sharing of overall returns;
- (v) foreseeable but as yet not fully defined issues such as the introduction of Universal Credit will require a change in scope and therefore cost and the Council needs to ensure that any changes to cost are reasonable;
- (vi) unplanned but contractually possible events such as early termination would bring costs for both sides and the Council will wish have certainty over its exposure in such circumstances.

In order to protect itself the Council will need to have transparency of financial information and the measures put in place to provide this are:

- (i) inclusion of detailed financial model in the contract, including compensation on termination calculations
- (ii) volumetric algorithms to cater for foreseeable events as well as demographic changes
- (iii) open book accounting requirement for relevant partner costs
- (iv) Council the Council has audit access rights to establish the source of any cost charged to the partnership
- (v) the contract has a 'super profits' clause requiring any partner return over an agreed threshold to be shared with the Council
- (vi) the contract has schedules of day rates to inform the costing of projects and other ad-hoc activity;
- (vii) the contract has a weighted index for inflation that recognises the proportionate split between costs affected by wage/price inflation (and uninflated costs). This provides certainty over any annual service price rises in time to be incorporated into the Council's own budget processes.

Transparency of information will also help resolve any disputes over the level of benefits achieved by Capita. Before agreeing each business case put forward for a procurement or transformational saving the Council will require a detailed benefits realisation plan with well-defined measures of service outcomes and clarity as to what can and cannot be counted towards a financial target.

7. Service Location Changes and Headcount Reduction

Capita's proposals involve a significant use of existing centres of excellence around the country to deliver those elements of services that do not require face to face delivery in Barnet thus be in a position to pass on economies of scale savings within their financial offer to the Council; and performance improvements that result from service specialisation.

Inevitably this means that a substantial number of roles will no longer be delivered from within Barnet and table 6.1 overleaf shows the planned changes in staffing profile over the life of the partnership. The reduction in staffing levels is facilitated through introduction of new technology and increased automation amongst other changes, and Capita's commitment to

performance standards as detailed above, and employee support detailed below, will ensure that this is managed effectively.

Capita has many examples of co-locating client operations, whilst retaining the individual and distinct ethos and branding of each client. Therefore the services to Barnet and staff who work on them will follow a distinct Barnet approach, regardless of physical location.

Support for transferring employees includes the following:

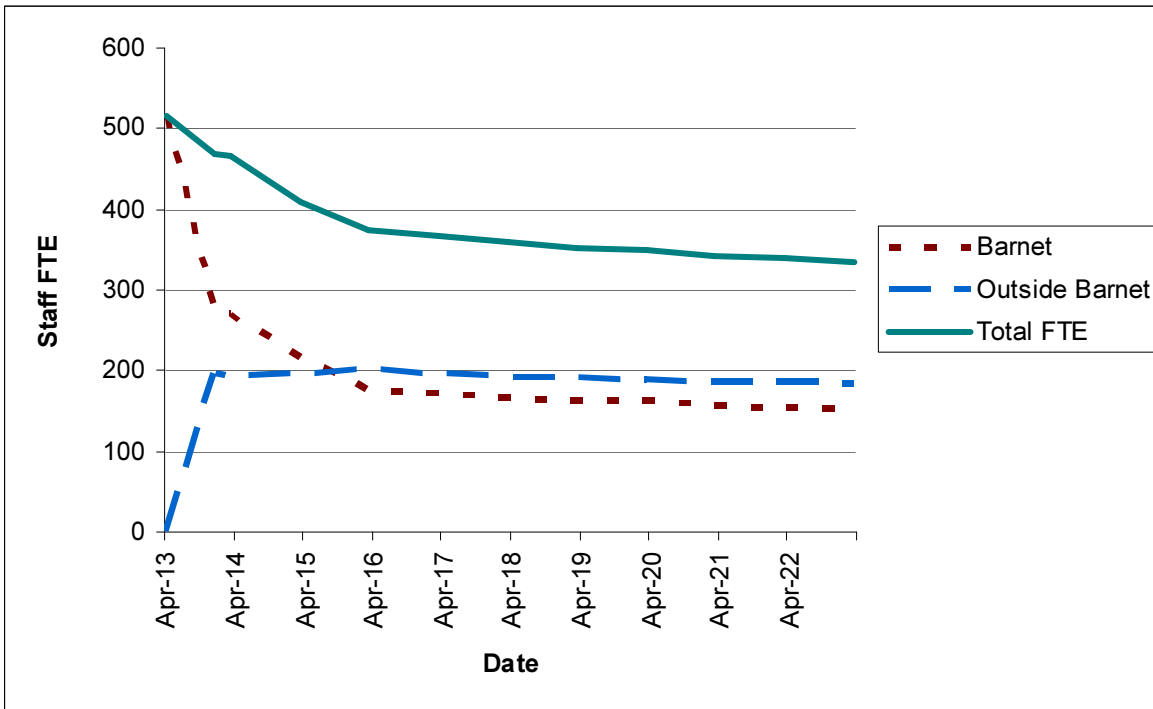
- Full transition communication and engagement plan to integrate staff into new organisation quickly and effectively
- Minimising the impact of redundancy through growth into other partner organisations, redeployment throughout other Capita businesses, managing vacancies and temporary staff and natural shrinkage
- Occupational Health and Employee Assistance Programme
- Comprehensive training and development opportunities
- Undertaking a staff satisfaction survey within 6 months of the Service Transfer Date and annually thereafter, and putting in place a remediation plan with the staff forum to address issues identified where satisfaction decreases by more than 5%

Table 6.1 NSCSO Staff Numbers

		Transferring 01-04-13	Dec-13		Mar-14		Mar-15		Mar-16		Mar-23	
Service	Proposed non-Barnet Locations	FTE including Vacancy	Barnet	Rest of UK	Barnet	Rest of UK	Barnet	Rest of UK	Barnet	Rest of UK	Barnet	Rest of UK
Customer Services	Darwen	83.84	19.6	61.9	19.2	59.2	18.5	54.25	18.5	53.25	18.5	52.25
Revs & Bens	Bromley; Blackburn	126.53	3	109.06	3	109.06	2	103.56	2	98.56	2	88.56
HR	Banstead; Belfast; Carlisle	75.28	43.56	26.21	43.56	25.71	11.82	36.89	11.82	36.68	11.41	32.4
Finance	Swindon; Sheffield	89.27	79.72	0	79.72	0	70.55	0	50.73	6.68	41.57	5.4
IS/ICT	Chippenham; Chertsey	55.3	31.59	6	28.59	9	25.25	9	22.61	9	13.14	9
Estates	N/A	62.02	53.02	0	53.02	0	49.81	0	46.81	0	46.81	0
Procurement	Southampton	16.67	15.67	0	15.67	0	14.67	0	8	5.67	7	4.67
Corporate Programmes	N/A	5.89	4.89	0	4.89	0	3.89	0	3.89	0	3.89	0
Partnership Governance	N/A	0	14.3	0	14.3	0	9.3	0	5.15	0	2.5	0
Sub-total			265.35	203.17	261.95	202.97	205.79	203.7	169.51	209.84	146.82	192.28
Totals		514.8	468.52		464.92		409.49		379.35		339.1	

The graph in 6.2 provides a pictorial illustration of the pace of change in staff levels across the life span of the 10 year contract, this is taken from the data in table 6.1. above.

Graph 6.2 NSCSO Staff Numbers (Pictorial)



From a total of 514.8FTE at the point of transfer, one year into the contract there is a reduction of posts shown to 468.52FTE across the contract.

Roles start to move out of the Borough between months 5 and 7 with the first movement in services being Customer Services (61.9FTE), Revenues and Benefits (109.06FTE) and HR (26.21FTE). There will be a number of posts in these services remaining in the Borough totalling 66.16FTE at the end of year one.

At the end of the 10 year contract there will be a total of 334.21FTE across the contract and 151.93FTE based in the Borough of Barnet.

8. Financial Appraisal

Financial implications

The **baseline budget** for the services in scope for NSCSO is £41.8m (expenditure). Of the total budget, £1.1m needs to be allocated to other One Barnet projects, as an element of support services are attributable to legal and Development and Regulatory Services (DRS). £1.9m is allocated to retained client functions, leaving a baseline of £38.8m attributable to the NSCSO contract. This is set out in the table below:

Table 7.1 Baseline

Expenditure baseline	£m
Baseline for in scope services	41.8
Attributable to legal, DRS	(1.1)
Retained client	(1.9)
NSCSO baseline	38.8

The services in scope for NSCSO include income budgets totalling £11.9m per annum.

The **Medium Term Financial Strategy (MTFS)** agreed by Council in March 2012 included savings attributable to NSCSO totalling £3.6m per annum. This reflected the prudent estimate of benefits from the NSCSO business case. Since that point, Cabinet on 7th November 2012 set out additional savings requirements of £2.7m for NSCSO for the years 2014/15 and 2015/16, reflecting the likely further cuts to public expenditure that will follow from the existing 2010 spending review settlement. So when taken together, the total savings requirement for NSCSO over the period 2013 to 2016 is £6.3m.

The guaranteed financial benefits arising from the preferred bidder recommendation include savings on the core transferring services (reduction in expenditure and increases in income), procurement savings on contracting activity across other Council services, and increases in collection of Council Tax. These financial benefits are as follows:

Table 7.2 MTFS Impact

Guaranteed savings	Total over 10 years (£m)	Annual equivalent saving (£m)
Savings on core transferring services	70.1	7.01
Procurement savings	46.9	4.69
Council Tax	8.4	0.84
Total	125.4	12.54

The table above demonstrates that the original savings target derived from the Outline Business Case (£3.6m) and the additional savings target included in the Cabinet report of 7th November (£2.7m) totalling £6.3m per annum are exceeded by the “core” financial benefits in the Capita bid of £7.01m. Over and above these savings on core services, there are additional benefits guaranteed on Council Tax collection and procurement which will further support the achievement of future MTFS savings.

A baseline of £90m per annum of contractual expenditure has been set against which bidders have guaranteed savings on procurement activity. This baseline excludes spend that will transfer to NSCSO (for example IT contracts), spend attributable to DRS and other One Barnet projects, and also excludes spend that is funded through schools or the Housing

Revenue account (as savings on these areas would not represent a saving for the Council's general fund).

It is important to note that there is a dependency on the Council to allow the NSCSO provider to manage contract letting activity across the organisation to enable the procurement savings guarantee of £46.9m to be realised. The Council has the opportunity to decline business cases for procurement activity that Capita put forward, and Capita need to ensure that business cases meet minimum acceptance criteria. However, if a significant proportion of business cases are declined by the Council, Capita will have the right to re-negotiate this element of the savings guarantee.

The savings on core services as set out above (£70m over 10 years) will be directly factored into the MTFs to support the requirement for savings over the period 2013-16. Due to the points set out in the paragraph above, additional guarantees on procurement savings will not be directly factored into the MTFs at this stage, but will help services (particularly Adults and Children's services) to meet their additional savings targets beyond 2015.

Additional income from Council Tax collection is set against the Council's overall collection rate for Council Tax, rather than the "in year" collection rate. Increasing the "in year" collection rate does not represent an overall saving to the Council unless the total cash collected over time increases. The Council's baseline for collection is approximately 98.5% and guaranteed benefits included in the table above represent increases above this level. Additional income here has not yet been factored into future MTFs projections, but these guarantees give the Council some headroom in terms of future income collection that will support future budget setting.

Partnership Investment, contracts and assets - Approximately £15.3million of initial investment is to be provided to transition and then transform the services. This investment is spread across the services as follows. The IS investment includes the refresh and replacement of technology that has benefits across all NSCSO services (as well as the wider council).

Table 7.3 Partnership Investment Summary

Service Area	Investment (£)
Customer Service	887,227
Procurement	119,329
Revs and Bens	298,422
Finance	788,000
Human Resources	1,541,491
Pensions	178,192
Health & Safety	35,050
Estates	4,490,000
Information Systems	6,973,478
Total investment in core services	15,311,190
Partnership Governance - transformation and other costs not directly attributed to core services	2,238,808
Total investment	17,549,998

On service transfer the Council will hand over to the partnership a range of contracts and assets used currently in the provision of the services. Once contracts are novated the partner will manage each contract with the relevant suppliers and then in the future may renew, replace or otherwise build into their own supply chain as necessary to provide the

transformed services. The Council will contribute the assets currently used in the provision of the specific NSCSO services to the partnership. This allows the Council to transfer ownership risk to Capita whilst at the same time reducing their initial investment requirement and so allowing them to reduce the price to the Council. Some of the assets will be transferred in their entirety whilst for others (primarily those with an expected life and Council need beyond the planned duration of the partnership). Capita will be granted the ability to use the assets for the duration of the partnership without ownership transferring. A detailed asset register with the assets categorised in this way has been prepared and was available to bidders through the dialogue process. The Council has the option to acquire from the partner such assets as it needs to continue the services following any form of termination of the partnership. Where any assets used at the point of termination are shared (for example IT platforms acquired through the course of the partnership that are used to service other Capita clients), the Council will be granted access to use these on reasonable commercial terms.

Project costs have been funded from the Council's transformation reserve. Project costs are expected to total £2.1m by April 2013 when the project will be completed.

Capital budgets associated with IT investment have been included in the NSCSO baseline, and these total £3.4m. These represent unspent budgets in respect of IT refresh and information management which will become the responsibility of the NSCSO provider from April 2013. There are no implications for capital charges or depreciation for the Council in respect of this business case.

Cash flow is an important consideration within this project. From the Council's perspective, the contract price not only meets the overall savings targets in the MTFs, but the pace and profile of savings is such that they are exceeded quicker than is required. The contract price in year 1 is 15% less than the Council's baseline, whereas the savings targets for NSCSO in the MTFs are currently profiled to be delivered gradually over 3 years from 2013 to 2016. This will deliver a further one off benefit to the Council in the first two years of the contract.

Net present values and indexation – all figures included in this report are stated at current prices. Within the contract, indexation clauses enable the contract price to be amended to reflect inflation over time. For staff related costs, this is pegged to the local government pay award. For non-staff related operational costs, this is pegged to CPI. For non-operational elements of the contract price, for example profit, this is not subject to indexation. Increases in income, specifically commercial property income, are subject to gainshare between the provider and the Council, 70% coming to the authority and 30% to the provider.

Sensitivity analysis is also an important part of confirming the financial implications and risks. The Capita proposals include volume adjustments for increases or decreases in activity, which would result in either an increase or decrease in the contract price. There is a 10% threshold whereby any changes in volumes lower than this do not result in any change to the price. The table below sets out the change in contract price if volumes across all services increase or decrease by 10%, 20% and 40%.

Table 7.4 Volume Sensitivity

Change in volume	Change in contract price for increase in volume	Change in contract price for decrease in volume
10%	785,211	-785,211
20%	1,572,151	-1,572,151
40%	3,146,029	-3,146,029

As set out in section 5 above, a number of factors could result in increases and decreases to volumes. In respect of customer services, channel shift to web contact is core to the provider solutions, and volumes are expected to decrease on call and face to face contact. Similarly, in respect of IT, HR and finance, the numbers of people working in the organisation are declining, resulting in reductions of volumes over time. However, for Council tax collection, the number of properties in Barnet is expected to increase over time. On this point it is important to note that the number of properties in Barnet would have to increase by 13,000 homes before a volume adjustment is triggered.

However it is important to note that this process is not automatic. The first requirement on breaching any volumetric tolerance would be for Capita to attempt to mitigate the impact within its current price. If it is able to demonstrate that this is not possible then it would be required to propose options for reprioritisation of the service, again within the current cost envelope. Only if those routes are proved to be unable to solve the issue then an adjustment to price would be calculated using the financial model and the Change clauses within the contract. The balance of requirement to justify would therefore remain with Capita.

Other financial and balance sheet considerations – it is not expected that this contract will give rise to, or affect any current contingent liabilities. This contract will not affect the Council’s position in respect of taxation, either in terms of recovery of VAT or in terms of liability for corporation tax.

Value for money and benchmarking

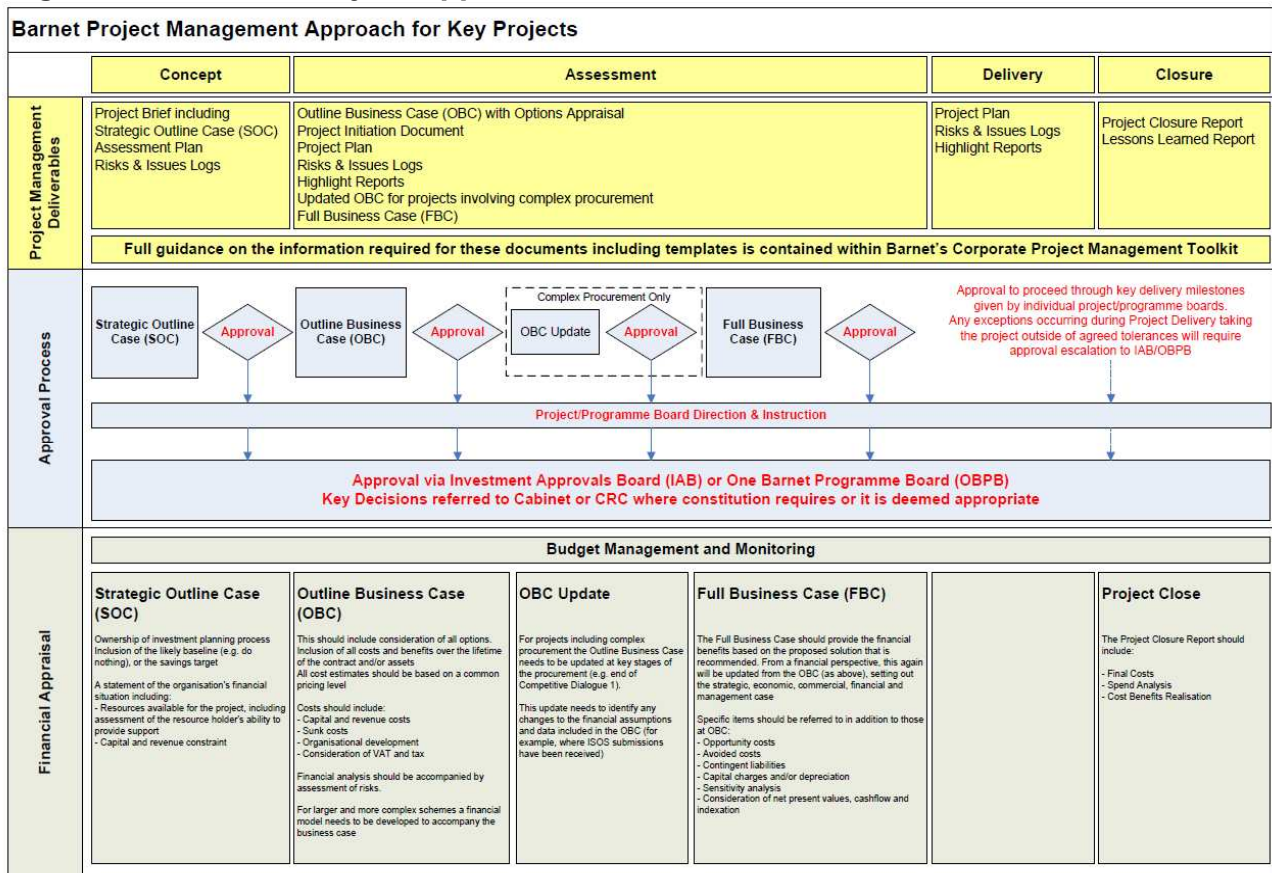
Ongoing value for money is an important consideration throughout the life of any contractual arrangement. A number of contractual protections exist to ensure that this can be monitored and achieved.

- a) benchmarking provisions are included within the contract, enabling the Council to undertake a comprehensive independent benchmarking of the services three times through the life of the contract, with an obligation on the service provider to ensure that the contract price falls in line with the outcome of benchmarking where it is higher than expected at that point in time.
- b) there are provisions for year 3 and year 6 reviews with the contract. This signposts a more fundamental review of the direction of the partnership, and whether outcomes being delivered both financially and non-financially meet the changing needs of the Council and its stakeholders at that point in time. The timing of these reviews is designed to tie into the Council’s financial planning cycle. As noted above, the financial benefits within this contract enable the Council to exceed its MTFs targets for 2013-16. However, by 2016, further financial challenges may exist, and the year 3 review is the appropriate mechanism to ensure the contract is flexible enough to deal with circumstances prevailing at that time.

9. Project Approach

The project has followed the standard Barnet project management methodology and has been subject to routine audit reviews during its duration. The NSCSO Project Board has met regularly over the course of the project receiving status reports and key risks and issues. The full project process is shown below:

Diagram 8.1 NSCSO Project Approach



The procurement has followed a standard competitive dialogue approach. Following the OJEU notice published on 21 June 2011, ten companies completed a Pre-Qualification Questionnaire, the results of which were evaluated to create a list of seven companies to invite to participate in competitive dialogue. Four companies chose to enter competitive dialogue with the council, and were invited to submit Outline Solutions, which were evaluated using the criteria below:

Table 8.2 NSCSO Evaluation Criteria

	Overall % Weighting
Meeting the Council's strategic objectives	14
- Effective partnership working and alignment with Council's strategic objectives and values, now and over time (4%) - Effective management, sharing and use of data and insight to deliver a citizen-centric Council (5%) - Effective HR practices and professional development (5%)	
Delivering a new relationship with citizens	18
- High and measured customer satisfaction (6%) - Enabling citizens and customers to do things for themselves and	

nurturing the Big Society (4%) - Maximising access and quality of experience (4%) - Meeting the diverse needs of customers (4%)	
Service delivery	28
- Compliant, high quality service delivery (10%) - Continuous and innovative improvement in service delivery (8%) - Services joined up with other public, private and third sector organisations (6%) - Maximise opportunities from central government for the benefit of the Borough (4%)	
Financial and Commercial	40
- Net financial benefit and payment profile including pace (25%) - Flexibility in the contract (5%) - Price performance mechanism (5%) - Ability to transfer risk (5%)	
Total	100

On the basis of this evaluation, Cabinet Resources Committee on 28 February 2012 agreed that the highest scoring two companies BT and Capita were invited for a second round of dialogue to create Detailed Solutions, using the same evaluation criteria detailed above.

BT and Capita submitted Detailed Solutions on 10 September 2012 which were reviewed by evaluators, with clarification questions asked and answered. There were some areas where further detailed dialogued was required, so this took place with both bidders. Once the Council was satisfied that no further dialogue was required, dialogue was closed, and bidders were invited to submit their Final Tenders. Final tenders from both bidders were submitted on 25 October 2012.

At both Detailed Solution and Final Tender stage, between two and five officers from each of the in-scope services individually reviewed bids against the output specifications they had provided, noting strengths, weaknesses, risks and issues against the evaluation criteria. They then met as a group to reach a consensus score, with a procurement officer in attendance to oversee and support the process,

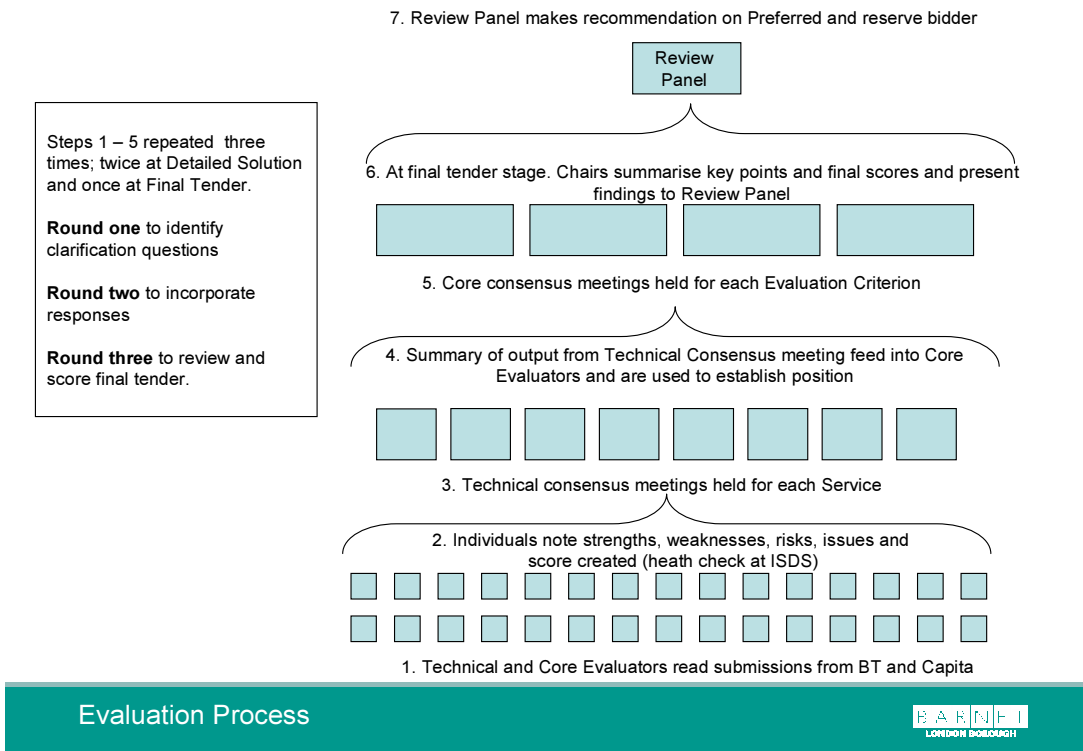
The results of these technical evaluators' consensus meetings were then provided to four separate core evaluation groups, responsible for recording a score for criteria with section A, B, C and D respectively, whose members came from a number of services and disciplines across the Council. Each group was chaired by an Assistant Director. All members of the Core team independently reviewed bids and, with the exception of the Chair, noted their strengths, weaknesses, risks and issues. Core evaluators then met to arrive at their own consensus score, again with a Procurement officer in attendance.

Once Final Tender evaluation had concluded, Chairs prepared evaluation reports which summarised the final consensus scores and rationale for each bidder. These reports were presented by Chairs to the Review Panel which met on the 9 November. Review Panel members had the opportunity to challenge the Chairs on their positions before agreeing a recommendation to be put forward.

The outcome of the Review Panel meeting was to recommend Capita as the Council's preferred bidder for NSCSO and BT as the reserve bidder. Capita scored 82%.

The evaluation process is summarised in the following diagram:

Diagram 8.3 NSCSO Evaluation Process



Mobilisation

As at November 2012, the project has reached the conclusion of the evaluation stage and, pending approval, will move into the mobilisation phase in January 2013.

The approach to mobilisation will combine where appropriate similar activities from both NSCSO and DRS to aid knowledge sharing and to make the most effective use of resources. It will also link other work underway within the Council, notably the implementation of the model for the retained organisation and the implementation of our Information Management Strategy.

The deliverable from mobilisation will be the transfer of all in-scope staff, data, assets and in flight projects for the eight NSCSO services covered within this business case.

Mobilisation will formally commence on 27 December 2012 when the Alcatel period (this being a stand-still period within the procurement process in which unsuccessful bidders have the opportunity to challenge the decision) ends. The project will be delivered through a number of key work-streams with a programme manager, supported by a team of project and business specialists directing and managing the programme. The work streams and their main activities broadly cover contract compliance, implementation & finance, operations, communications & engagement, information management, HR and governance.

The key dates for the lead in and completion of mobilisation are:

Preferred bidder letter issued

13 December 2012

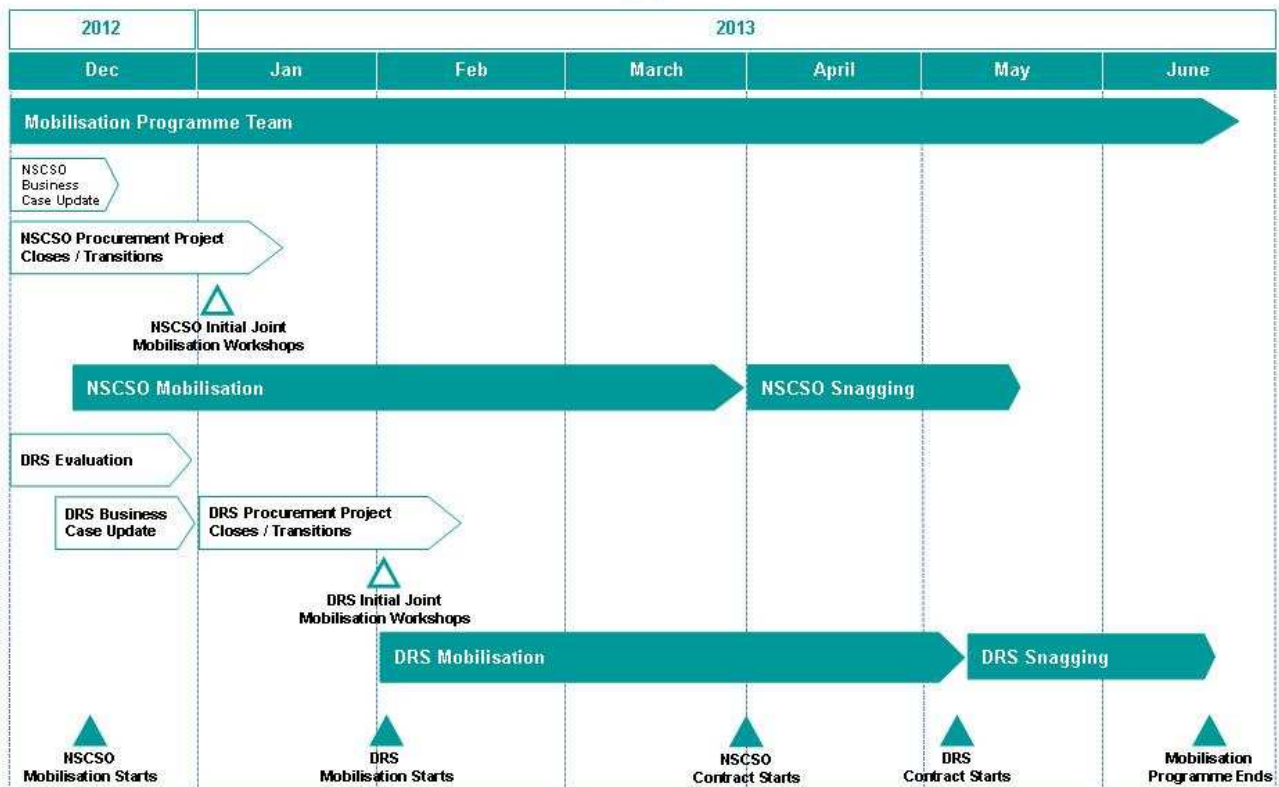
Alcatel ends
 Contract signature
 Service Commencement

27 December 2012
 31 January 2013
 01 April 2013

The mobilisation plan will take account of the parallel procurement of a DRS partner, which is currently scheduled to commence service approximately 6 weeks following the NSCSO start date. Provisions within the NSCSO contract will guarantee the required availability and quality of support to the DRS partner through its own mobilisation period and early months of operation whilst interface agreements to be signed by both partners will allow them to renegotiate, extend or discontinue the services for the longer term.

Diagram 8.4 Mobilisation Programme

Mobilisation Programme: Timeline



Project assurance

One Barnet Assurance Work

Assurance work has taken place through-out the project lifecycle of NSCSO by internal and external audit.

Internal Audit review the One Barnet programme quarterly and review aspects of the projects according to the 12 point project management excellence methodology set out in the diagram opposite that assures a well-managed, effective programme which has fit-for-purpose controls:

Internal Audit work for the past two years has considered the following:

- Capacity and Capability management, change management and risks and issues management
- Customer Services Risk Management
- Scope and change control, governance and dependencies
- Working with suppliers/providers
- Stakeholders
- Data quality of KPI information



External Audit reviews the Council annually and considers the progress of its transformation programme in its value for money opinion. The Council has maintained an unqualified value for money opinion throughout the course of the One Barnet Programme. In addition, External Audit has reviewed the following:

- One Barnet Governance
- the progress of the NSCSO project and overall concluded that there were adequate arrangements in place for the overall governance of transformation projects

The outcome of internal and external audit work has been reported through to the Audit Committee throughout the life cycle of the NSCSO project.

Project Risk Management

Project risks are managed in line with Council's overall approach to risk management. Risks are recorded and managed through the Council's central risk register JCAD and reported to Council Directors Group on a regular basis.

The key risks identified for the delivery of the mobilisation phase are shown below.

Table 8.5 – Summary of Mobilisation Risk Analysis

Risks	Mitigation
Legal challenge impacts upon the delivery of project benefits	The potential for legal challenge is a standard risk in any procurement process. The project and procurement have been conducted in line with legislative and best practice guidelines and as such the Council is confident in its ability to defend any claims
Service level agreements (SLAs) and key performance indicators (KPIs) are not sufficiently defined impacting Barnet's ability to hold suppliers to commitments from transfer of service.	Work is underway to complete baseline data on KPIs and to confirm SLAs for all eight services.
Breach of Public Sector Equality Duty and/or Council's obligations under the Human Rights Act	Detailed EIAs have been undertaken and will be kept under review throughout the mobilisation process. The Council has imposed contractual obligations and will continue to monitor the contract with regard to its potential impacts and ensure appropriate publicity and the results of any consultation are taken into account before deciding whether or not to approve any change in service, and what mitigation may be required.
Challenge during the Alcatel period prevents contract signature and mobilisation until challenge is answered. This will extend timescales for transfer of service indefinitely.	The Council has undertaken the procurement of NSCSO according to the Council's Contract Procedure Rules and the Public Contracts Regulations 2006. All precautions have been taken to ensure a fair and transparent process for both short-listed bidders and to minimise the risk of challenge at preferred bidder stage.
Due diligence undertaken by preferred bidder identifies additional scope to service which has an impact on service transfer times or cost.	<p>In scope services have prepared detailed output specifications which describe the services, processes, third parties and legislation.</p> <p>The specifications have been generated by the service and approved by Service Leads who are at Head of Service, or Assistant Director level.</p> <p>Council generated output specifications have been used as the basis of the evaluation of bidders proposed service solutions.</p>
Due diligence activities coupled with preparations to transfer service will put pressure on business as usual activities or the Council's ability to properly execute mobilisation activities.	A mobilisation team has been identified which is largely staffed from the new retained client organisation. Where further resources are needed to supplement either capability or capacity on a short term basis, contract staff will be deployed.
Pace of change required by preferred bidder puts pressure on the capacity of the existing organisation to meet timescales and adopt new ways of working.	<p>The preferred bidder has indicated an ambitious pace of change within its mobilisation plans and first two years of operation.</p> <p>The Council will monitor the delivery of its obligations and provide such additional resource as is necessary to ensure</p>

Risks	Mitigation
	it meets its requirements for a successful handover, transition and transformation.
DRS and NSCSO preferred bidders signing up to Interface Agreement could impact benefits realisation.	The Council has been dialoguing interface agreements with all NSCSO and DRS bidders and the key obligations are already well developed in the draft contract.
Key posts in Commissioning Group not filled creating gaps in capability and capacity for mobilisation and on-going contact management.	<p>There are a number of key posts within the new Commissioning Group that will need to be filled in order to provide leadership into the mobilisation process and to retain the resulting knowledge in house for use in managing the contract and performance.</p> <p>Work is already underway to advertise and fill vacant posts. Where vacancies identified as essential for the mobilisation work exist, contract resource will be brought on-board to cover while permanent resources are recruited.</p>
Organisational changes currently underway within services not in NSCSO scope such as Adults may impact pace of change and ability to these services to meet preferred bidder timescales.	<p>Joint plans for mobilisation will be developed in early January. Representatives from services such as Adults and Children's will be invited to comment to ensure issues and risks are understood and mitigated where possible.</p> <p>Close monitoring of any dependencies between NSCSO mobilisation and organisational changes within the retained function will be incorporated into mobilisation work-streams.</p>
Mobilisation timescales are exceeded impacting service transfer on the 1st April.	The Council's preparation for mobilisation will start from the announcement of Preferred Bidder and will formally commence following the end of the Alcatel period on the 27 th December. This allows a full three months for joint Council and Preferred Bidder mobilisation activities which is in line with recommendations.
Key contracts are not able to or are late novating resulting in the Council continuing to manage and /or fund third party services that should be transferred.	<p>Work is ongoing on the review and transfer of contracts and will be completed in preparation for transfer of service on the 1st April.</p> <p>Where contracts cannot be novated for legal or constitutional reasons they will be retained and incorporated into the baseline adjustments.</p>
Constitutional changes are delayed	Contract delivery is not dependent upon the structure of the retained Council. The Council could manage the NSCSO contract within current structures and governance procedures, with any temporary changes to service requirements being dealt with by way of a reprioritisation change within the contract.
Financial baseline update adversely impacts contract	The Council retains the ability to require a change in the services as a consequence of budgetary or other constraints. Capita would be obliged to develop options for

Risks	Mitigation
	meeting the new baseline, which would initially involve reprioritisations and which the Council can accept or require refinement until it is content with the proposals

10. Dependencies

The following dependencies have been identified and incorporated into the project plan. Dependencies will be actively managed by workstream leads throughout the life of the project.

Table 9.1 Dependencies list

Item	Dependency
Information Management Strategy Project	On transfer of service to the new provider on the 1 st April the Council will need to be able to hand over the physical and electronic data necessary for the day to day running of services. Preparation for this is already underway through the Information Management Strategy Project (IMS).
Commissioning Organisation design and recruitment	The timely recruitment of staff to key positions within the new commissioning organisation will be a major factor in a successful mobilisation. Where feasible, the project will want to retain officers within the commissioning organisation who have knowledge of the mobilisation process. A good example of this are the two Partnership Managers who will ultimately take responsibility for the contract management of NSCSO and DRS, who are being recruited now.
Governance Project	A number of constitutional changes will be necessary to complete transfer such as the appropriate delegation of responsibilities to the Chief Operating Officer and the client management team. These changes will need to be managed through the normal democratic process and as such will need to be completed before the 1 st April 2013 transfer date.
Interface clauses	The Interface clauses define how the preferred bidders from NSCSO and DRS will work with each other to ensure that both partners are aware of and will support the obligations placed by the council on the other, and that necessary operational interfaces are maintained. This includes a duty for any debate or conflict to be addressed by the two partners in the first instance, rather than the council having to intervene. There are also specific requirements for NSCSO to provide support services to DRS (e.g. accommodation, IT) for a minimum period, which the two partners can reduce or extend as desired once both parties are known. The interface clauses and operational requirements are well developed and Capita's Final Tender includes them (legally, operationally and financially). The final clauses and operational requirements will be refined between the two partners once they are known.

11. Democratic oversight and control

Members' democratic oversight and control of the NSCSO services will be undiminished by entering into this contract:

- **Constitutional powers:** all matters which require a Council decision will continue to be subject to Council decision-making, as governed by the constitution and the scheme of delegation.
- **Revising policy and strategy:** the Council can continue to update and amend the policies and strategies governing the eight services at any time, as well as introduce new policies and strategies. These will be administered via the contract's change control mechanism. The current policies and strategies directly governing the in-scope services are written into the service output specifications that Capita has committed to in its Final Tender. Additional policies which apply to all Council functions (such as the council's Equalities Policy) are also committed to within the contractual terms and conditions agreed by Capita.
- **Setting budgets and approving business plans for the services:** The contract provides for an annual service review process which looks back over the prior year's performance and identifies the agenda for the coming year. This process will align with the Council's own budget and business planning cycle. Member decisions made through the budget cycle will be communicated via the Strategic Partnership Board, which is the most senior forum within the partnership governance structure, and will have member representation, and built into service plans for the next financial year.
- **Taking resourcing decisions:** The contract includes budgetary change provisions, which are there to deal with events requiring a significant reduction in the cost of services. The Partner has an obligation in such circumstances to minimise any adverse effect on services and is required to provide an impact assessment so that members can take decisions in full knowledge of the potential impact. A change process can be initiated at any time. If, for example, there was a Comprehensive Spending Review announcement from Central Government that identified more cuts to future resourcing levels for local government, members could use the budgetary change provision to require an immediate step-down in NSCSO services in order to use these savings to help minimise the future impact on frontline services.
- **Holding the service provider to account:** The NSCSO services are subject to similar overview and scrutiny processes as in-house services. Decisions taken in respect of these services may be called-in and scrutinised in exactly the same way, and the council's audit committee will receive reports on the NSCSO services which remain within the scope of the council's annual audit plan.
- **Renewing, reducing, stopping or changing the service mix within the contract:** The Council may terminate at any time earlier than the planned end date (this would be a member decision) subject to repaying Capita for investments made but not yet recouped through the annual service charge and loss of profit. If the contract runs the full 10 years as is currently envisaged, the up-front investment in transformation and technology will be recovered over that 10 year period via the annual service fee.

In addition, the provision of enhanced customer insight is expected to assist members in responding to residents' individual needs and expectations, and also in understanding patterns and trends at ward level. Capita have committed to providing:

- (i) A single customer record – keeping all relevant service-related information about a resident in one place including their contact with the council and any complaints
- (ii) Data about customers broken down by ward, including national and local statistics

12. Benefits Realisation and Contract Management

Benefits realisation

The Council's approach to benefits realisation will be developed with the new partner and aligned with the performance management and incentivisation mechanisms in the contract. These fall broadly into the following areas:

- Monitoring of transformation milestones and deliverables. Capita has committed to using a benefits tracking tool and funding a benefits realisation manager.
- Monitoring of project milestones and deliverables of those projects being transferred as part of the Corporate Programmes function
- KPIs and PIs for the core services. These will be reported monthly by the Partner and the Council has a right of access to the systems and data used to create these reports to satisfy itself of their accuracy. Each of these PIs represents a specific output or benefit commissioned by the Council from the Partner. If there is any variation from the targeted levels these will be reviewed and actions taken as necessary between the Council's client team and the Partner's operations team as part of the Partnership Operations Board. Any issues that cannot be resolved or progressed by this group can be escalated to the Strategic Partnership Board and ultimately to the Chief Executive and the Board of the Partner.
- Objectives for specially commissioned projects will be developed through the business case and approval procedures set out in the contract. As each project may require a different approach to delivery, the Partner will be required to set out a detailed benefits management procedure as part of each business case. Progress against live projects and their required outcomes will be reported to the Council at the same time as the regular PIs. Ongoing monthly business performance reviews in this area will be overseen by the Partnership Operations Board.

The ownership (on the Council's side) of each of these benefits will fall to the Chief Operating Officer (core services) and/or the relevant Lead Commissioner (for special projects) and will be tracked and reported to the Council as part of their general reporting processes.

Intelligent client and contract management

The Council has designed and established a client side function for all its internal and external delivery partnerships called the Commissioning Group as part of the corporate restructure project, which was approved by General Functions Committee in April 2012. This new function comprises:

- Lead Commissioners – 6 senior policy experts responsible for understanding the needs of customers and the Borough and designing commissioning strategies to deliver the outcomes required by the Strategic Commissioning Board in accordance with the policy guidelines provided by members.
- Commissioning strategy team – 5 strategy and policy advisors who act as a flexible resource across all policy areas

- Deputy Chief Operating Officer and team – a team of circa 40 staff, four heads of service who act as NSCSO commissioners, and subject matter experts, covering areas such as programmes and projects, information management and finance, all of whom will provide strategic direction to NSCSO
- Commercial Lead and team – a team of between 11-15 staff who will manage the commercial and contractual relationships with external and internal delivery partners, ensuring that contracted financial and non-financial benefits and commissioned outcomes are delivered, that risks are effectively monitored and managed, and improvement opportunities are identified and acted on.

Recruitment has taken place for the first four tiers of management in this function, whilst staff affected are being consulted on the proposed posts and functions of the roles below the four management tiers, with the structure due to be finalised in February 2013.

Recruitment to the new roles in the Commercial team has commenced ahead of this in order that the NSCSO and DRS Partnership Managers and contract management officers are involved in the transition and mobilisation period in early 2013.

The Council will utilise best practice guidance in the detailed design of its contract management arrangements, including the National Audit Office and Office of Government Commerce's Good Practice Contract Management Framework (December 2008), which provides the following advice:

- activities that organisations should consider when planning and delivering contract management;
- how to evaluate the risk and value opportunities inherent in contracts; and
- how the activities and the evaluation from Section 2 can be brought together to develop contract management plans and priorities.

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1. Introduction

Equality and diversity issues are a mandatory consideration in decision making by the Council pursuant to section 149 of the Equality Act 2010. This means the Council and all other organisations acting on its behalf must have due regard to the equality duties when exercising a public function.

The three limbs of the public sector equality duty involve the need:

- To eliminate discrimination;
- To advance equality of opportunity by removing disadvantages from particular groups, meeting the needs of particular groups and encouraging under-represented groups to participate in public life; and
- To foster good relations between those sharing and those not sharing protected characteristics by tackling prejudice and promoting understanding.

The duty should be applied before a decision is made and be part of the decision-making process.

The protected characteristics under Equalities legislation are: Age, Disability, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sex, Sexual Orientation.

The Council has rich data from the Census about the demographics of the population of Barnet, and also has ONS and GLA forecasts about how the age and ethnicity is likely to change in the future. Barnet's population is the largest of any London borough at 356,400 (2011 Census), and is very diverse in terms of age, ethnicity and religion. For example, it has a younger age profile than the England average, 33% of residents are from a black or minority ethnic group, and of the 87% of residents that describe themselves as having a religion, 55% are Christian, with the next largest groups being Jewish (15%) followed by Hindu (9%) and Muslim (7%).

Over the next five years, the local black and minority ethnic (BME) population is projected to increase from 33% to 35%, which is a slightly slower rate of increase than other outer London boroughs (5.6% compared to outer London average of 7%) but faster than London as a whole (4.7%).

Future population change will also produce changes in the age profile of the population, with above average growth in some age groups (5-14 year olds, 40-59 year olds, and 65-69 year olds and 90 plus cohort), a decline in the proportion of 30-34 years olds, and slower than average growth in 25-29 year olds.

The Council has assessed the staffing and service changes being proposed by Capita as part of its Final Tender, and considering whether it will have an impact on customers with any of the protected characteristics in terms of three limbs of the public sector equality duty – discrimination, equality of opportunity, and good relations.

Four equalities impact assessments have been completed by the Council:

- Customer (covering changes to the three public facing services, Customer Services, Revenues & Benefits and Estates)
- Employee

A summary of these EIAs is contained below, followed by each EIA in full.

Having considered these issues in detail, it is the Council's view that the overall impact on all groups with protected characteristics in the borough in terms of their access to and use of these services, the Council's ability to tackle discrimination and advance equality of opportunity, is likely to be positive. There is likely to be a neutral impact on good relations between those sharing and those not sharing protected characteristics. However these assessments will be kept under review throughout the mobilisation and contract period.

The reasons for the current positive and neutral assessments are as follows:

- No service reductions are proposed in Capita's Final Tender. In particular, face to face provision will be retained as is, in terms of location, staff numbers and opening hours.
- Capita has defined key over-arching design objectives for the NSCSO designed to ensure that Customer needs are met and groups with protected characteristics are protected including:
 - a. Building Service Delivery Differently – Capita will enable multi-channelled delivery and the ability to bundle services in ways that relate to customer need and put that at the heart of service delivery. Capita will consult closely with all stakeholders and employ a co-design process with customer groups that represent the residents of Barnet so services fit into customer's lives and are easy to use.
 - b. Managing Service Delivery Differently – Capita will transform the way Customers interact with our services (and the Council) by transferring control to them and engaging them in service design. Insight will form the basis of the new service delivery model by investment in understanding the customer, understanding need, understanding access to services and the requirements of the more vulnerable.
- Where there could be negative impacts, in terms of location, service structures and new technology, Capita has committed to a range of measures that will prevent changes from adversely impacting the quality of service provision on any customer, and introducing

equalities training for staff and advocacy for vulnerable customers to make a positive contribution to equalities. Capita has also committed to conducting EIAs when any changes to services are being considered, prior to their approval and implementation.

- Capita has committed to adhering to equalities legislation and the Council's equalities policy, and producing an annual equalities report.
- Activities or measures currently undertaken by the services which promote the public sector equalities duty will be retained by Capita.
- Capita is introducing a number of service improvements that will enable better data about customers to be collected, analysed, and shared so that services can be better designed and targeted to customers needs, and committing to significant improvements to customer service outcomes such as first contact resolution and customer satisfaction.
- Capita will use the intelligence gathered through co-design and their on-going management of processes and operations to create dynamic and personalised service delivery for all customer groups. This rich understanding of Customers drawn from behavioural analysis, and combined with their experience and Barnet specific Insight will enable them to identify and understand patterns of Customer behaviour and specific customer needs and tailor services accordingly..

In relation to the impact on staff with protected characteristics, it is the Council's view that the overall impact on employees with protected characteristics will be neutral. As with the customer EIAs, this will be kept under review throughout the mobilisation and contract period. The reason for the neutral assessment is that where the impact of these changes may be negative, there are comprehensive set of mitigations provided in Capita's Final Tender, shown in table 4.1.4 in the employee EIA below. Examples of these are:

- Capita has committed to adhering to equalities legislation and the Council's equalities policy and producing an annual equalities report, each change proposed by Capita will be assessed separately in terms of equalities for the staff in scope at that time
- Capita will discuss Trade Union equalities concerns at the tri-partite meetings
- Capita have committed to relocate staff, provide access to a wide range of Capita vacancies and work at other client locations including local government in Greater London
- for restructures, Capita have committed to assimilate posts, if appropriate, offer staff opportunities to work on innovative and new projects, redeploy staff throughout other Capita businesses, manage vacancies and temporary staff and maximise natural shrinkage opportunities
- staff on maternity leave will be offered the opportunity to attend all briefings and one-to-one meetings with both the Council and Capita prior to and during the mobilisation period or the line manager will brief them
- Capita have committed to providing Occupational Health and Employee Assistance to all staff

Throughout the mobilisation period and life of the contract, all service change proposals from Capita will be properly considered to ensure that due regard has been given to the Equality Duty, including appropriate publicity and consultation and equalities impact assessments, prior to any changes being implemented, with the results informing Council approval and any subsequent decision whether to put them into effect or not. The Council will ensure that this happens.

The Council will keep this EIA under review through the mobilisation and contract period to:

- identify any changes
- ensure that mitigating actions identified are undertaken or planned in
- ensure that any necessary consultation and communication activities are taken with regard to specific change proposals, prior to any implementation decisions being taken

Summary Customer Equalities Impact Assessment

Covering changes to the three public facing services: Customer Services, Revenues & Benefits and Estates

Relevant or significant changes being proposed by Capita	Groups with protected characteristics that this might impact on	Action needed to ensure no negative impact on citizens with protected characteristics	Relevant Capita commitments
<ul style="list-style-type: none"> • Greater use of automated and web self-service channels and social media 	<ul style="list-style-type: none"> • Older people • People with a disability • Race (language) 	<ul style="list-style-type: none"> • This is consistent with the Council's customer access strategy, but it is important to ensure that self-service channels are designed to be accessible and user friendly, with sufficient options for supporting people not able to interact in this way to access the Council when they need to 	<ul style="list-style-type: none"> • Capita has committed to maintain the Council's current arrangements for providing face to face services. It will not change locations, staff numbers or opening hours, and will maintain existing free internet access at public access points such as Barnet House. Capita will also maintain the Council's current special access sites and tools e.g. induction loops at Burnt Oak library and Sign Video at Barnet House. • Capita has modelled different options for opening hours including weekend opening, and has committed to develop these using call data, in consultation with the Council. • A new face to face location in Colindale will be explored, informed by customer insight
			<ul style="list-style-type: none"> • Capita's face to face solution has Community Engagement Managers, with portfolio specialisms for Council Services and Barnet Homes, third sector and businesses and our Youth Engagement Manager will work with community groups to utilise and build upon their engagement, such as NUTMEG, COMMUNITY, ageUK
			<ul style="list-style-type: none"> • Capita will employ its co-design process including customer segmentation, customer consultation groups and customer life event tracking to understand the needs of older people or people with a disability. Working with these customers, other Council services, community support groups and the third sector will also ensure that their needs are not compromised in the drive for efficiency through automation and self service.
			<ul style="list-style-type: none"> • Capita will extend the existing Advisory Panel of customers and stakeholder will be extended to provide additional insight to inform service decisions. • Capita will work with the Councils Commissioners to ensure that

Relevant or significant changes being proposed by Capita	Groups with protected characteristics that this might impact on	Action needed to ensure no negative impact on citizens with protected characteristics	Relevant Capita commitments
<ul style="list-style-type: none"> • Introduction of 'co-design' to involve customers in designing changes to services 	<ul style="list-style-type: none"> • Parents may find it more difficult to find the time to participate in co-design activities 	<ul style="list-style-type: none"> • That citizens with protected characteristics are sufficiently involved in co-design initiatives 	<p>services adapt to emerging needs and changing priorities</p> <ul style="list-style-type: none"> • Capita are also introducing an advocacy service for vulnerable customers to ensure they get the services they need without having to make repeat contact • Capita have proposed a natural voice recognition solution, and accents affect the accuracy of language recognition. However there are mitigations including a phonetic recorder that allows call recordings to be used to increase the voice recognition 'taxonomy and Phonims', and redirection to a call handler. In any case, the Council will input into detailed requirements, specification design and sign off. • Capita recognises of Barnet and commits to co-designing with users of the services and describes co-design as a means of understanding customers' individuality, shaping relevant and valued services as well as being willing partners in delivery • Co-design will also be used to test the accuracy of 'personas', a form of segmentation built using primary and secondary quantitative and qualitative data covering demographics including age, sex, employment and financial status, family status and education; geography; psychographics; service and media consumption • Capita recognises that not all customers will be available at the same time or engage through the same channels and that engagement will need to be tailored to stakeholder needs. Co-design workshops and consultation will therefore be managed around these needs with the ability for customers to provide feedback through surveys, social media forums and through evening workshops which will be widely communicated to ensure maximum participation by customers. • Capita will operate a comprehensive change programme governance approach including a full communication and engagement plan to integrate staff into the new organisation
<ul style="list-style-type: none"> • Reorganisation of services so that they are grouped 	<ul style="list-style-type: none"> • It is impossible to foresee any differential impact on 	<ul style="list-style-type: none"> • That there is an effective process of transferring and formalising aspects of service 	

Relevant or significant changes being proposed by Capita	Groups with protected characteristics that this might impact on	Action needed to ensure no negative impact on citizens with protected characteristics	Relevant Capita commitments
<p>and structured differently, and reduced staff headcount/loss of existing employees</p>	<p>protected groups however it could feasibly impact on all – Age; Disability; Sex; Reassignment; Marital status; Pregnancy and maternity (including teenage parents); Race; Religion or belief; Sexual Orientation</p>	<p>that promote equalities but which rely on the knowledge and experience of individuals who are at risk of redundancy</p> <ul style="list-style-type: none"> • That staff experiencing change are effectively supported so that service standards do not slip 	<p>quickly and effectively. A People Care programme will cover welcome presentation, induction, staff bulletins, confidential email helpline, staff drop in sessions, one-to-one meetings, regular Q&As, amongst other things.</p> <ul style="list-style-type: none"> • Capita has committed to minimising the impact of redundancy through growth into other partner organisations, redeployment throughout other Capita businesses, managing vacancies and temporary staff and natural shrinkage • Capita has committed to comprehensive tacit and formal knowledge capture and transfer during the transition period and after service commencement, utilising a variety of methods. • Capita will undertake a staff satisfaction survey within 6 months of the Service Transfer Date and annually thereafter, and put in place a remediation plan with the staff forum to address issues identified where satisfaction decreases by more than 5% • Capita has committed to ensuring all CSO staff are trained in equalities compliance and have the tools, such as scripts and knowledge bases, to ensure responsibilities are adhered to. • Capita has committed to met all Council Policies when delivering services • Capita back office services and service provision are also designed to meet the varying needs of staff through the tools provided, the way services are delivered and the ability to work differently. • Capita has committed to ensuring all CSO staff are trained in equalities compliance and have the tools, such as scripts and knowledge bases, to ensure responsibilities are adhered to. • Capita has committed to multi-million investment in best-in-class technology to streamline communication and processes, and make it easier for staff and customers to record and access the data they need. • Capita has committed to making big improvements to first contact
<ul style="list-style-type: none"> • Re-location of staffing to different parts of the UK - customer services call centre staff moving to Darwin in Lancashire; Revenues & 	<ul style="list-style-type: none"> • It is impossible to foresee any differential impact on protected groups however it could feasibly impact on all – Age; Disability; Sex; Gender 	<ul style="list-style-type: none"> • Ensuring that staff in new locations adhere to the same high standards of service as those previously run from Barnet • Ensuring that communication and knowledge transfer about customers is unaffected by 	<ul style="list-style-type: none"> • Ensuring that staff in new locations adhere to the same high standards of service as those previously run from Barnet • Ensuring that communication and knowledge transfer about customers is unaffected by

Relevant or significant changes being proposed by Capita	Groups with protected characteristics that this might impact on	Action needed to ensure no negative impact on citizens with protected characteristics	Relevant Capita commitments
<p>Benefits processing function moving to Blackburn and its subject matter expertise to Bromley</p>	<p>Reassignment; Marital status; Pregnancy and maternity (including teenage parents); Race; Religion or belief; Sexual Orientation</p>	<p>separation by location</p>	<p>resolution, which is when a customer only has to contact the Council once in order for their issue or request to be resolved successfully, with KPI targets of achieving 40% from day 1 to 60% from year 2 and 80% from year 5.</p> <ul style="list-style-type: none"> • Capita has designed services to provide the same staff and customer experience regardless of where the service is delivered from or the customers chosen access channel. This will be supported by a single view of the customer which will be built up initially from existing Council data and then built on through insight and customer interactions to ensure that there is no detriment to service standards or customer experience as a result of relocating
<ul style="list-style-type: none"> • Introduction of new technology for staff to use e.g. CRM 	<ul style="list-style-type: none"> • It is impossible to foresee any differential impact on protected groups however it could feasibly impact on all – Age; Disability; Sex; Gender 	<ul style="list-style-type: none"> • An effective change management programme including effective staff support and training to ensure that the disruption that new technology can bring is mitigated so that it does not affect the quality of service provided 	<ul style="list-style-type: none"> • Capita will operate a comprehensive change programme governance approach and produce a detailed service delivery blueprint explaining the tools and new systems to be deployed to achieve the Capita solution, and the various steps on the journey to be followed. The change programme will include a number of workstreams - HR Integration, Business Process Re-engineering, Technology, Training, Communications and User Acceptance Testing. • There will be phased introductions of technology changes and dual running (where systems operate in parallel until effective operation is attained).
<ul style="list-style-type: none"> • Collecting better quality data about customers, including 	<ul style="list-style-type: none"> • It is impossible to foresee any differential impact on protected groups 	<ul style="list-style-type: none"> • That this data covers protected characteristics, where appropriate, and that findings about under-representation 	<ul style="list-style-type: none"> • Capita has made commitments to build equalities considerations into Customer Service’s analysis of customer data and projects to improve the service. • Capita has committed to achieve customer satisfaction levels of

Relevant or significant changes being proposed by Capita	Groups with protected characteristics that this might impact on	Action needed to ensure no negative impact on citizens with protected characteristics	Relevant Capita commitments
<p>satisfaction and complaints data, developing customer profiles, analysing and using it to improve NSCSO and other Council services, as well as providing it to Council officers and members</p> <ul style="list-style-type: none"> • Rationalising the Council's office accommodation 	<p>however it could feasibly impact on all – Age; Disability; Sex; Gender Reassignment; Marital status; Pregnancy and maternity (including teenage parents); Race; Religion or belief; Sexual Orientation</p> <ul style="list-style-type: none"> • Removal of an existing Council office may impact more on older people, people with disabilities and people with children, who are more likely to experience physical mobility restrictions 	<p>and dissatisfaction are acted upon</p>	<p>80% by year 2, 85% by year 3 and 90% by year 5, with fee at risk if targets are not met</p> <ul style="list-style-type: none"> • Data will be protected through identification management tools that limit how information can be accessed and all data will be governed under data protection and Government data standards
<ul style="list-style-type: none"> • Developing a proactive approach to integrating local community groups into service delivery via the 	<ul style="list-style-type: none"> • It is impossible to foresee any differential impact on protected groups however it could feasibly impact on all – Age; Disability; 	<ul style="list-style-type: none"> • Ensuring that the community groups supported effectively contribute to the Council's equalities objectives 	<ul style="list-style-type: none"> • Capita has committed to undertaking Equality Impact Assessments in line with Government guidance and The Council policy • Actively engaging community groups, third sector groups, the private sector and even family support networks will form a fundamental part of Capita Eco-system. Consultation and co design will underpin everything from the locality and ward strategy for community buildings to the ways services are delivered on a one to one basis to protected characteristic groups. Services will be designed with users, for users and informed by the needs of the communities within the Borough. • The existing Advisory Panel of customers and stakeholder will be extended to provide additional insight to inform service decisions. • Capita have committed that all interventions will be insight-driven to maximise impact and the return on investment to the Council

Relevant or significant changes being proposed by Capita	Groups with protected characteristics that this might impact on	Action needed to ensure no negative impact on citizens with protected characteristics	Relevant Capita commitments
'Ecosystem' approach	Sex; Gender Reassignment; Marital status; Pregnancy and maternity (including teenage parents); Race; Religion or belief; Sexual Orientation		

Equalities Impact Assessment of Capita's Final Tender on Customer Services customers

1. Introduction

Current Situation

Customer Services are the main interface between the public and the London Borough of Barnet. The main communication channels offered are telephone calls through to the customer contact centre, face to face 'customer access' points (with the main hubs being at Barnet House in the north of the borough and Burnt Oak Library in the west) and emails directly to the contact centre. In excess of 1.5 million contacts were made across the various channels over 2011/12 (1,417,818 telephone calls, 138,285 face to face visits and 43,618 emails/letters/faxes/texts/SMS messages/webforms/social media/junk mail). In addition to these channels the Council has recently updated its website to aid customer self-service. General calls to the contact centre are dealt with by the switchboard and more specialist calls by a number of different teams possessing more service-specific expertise. The different teams within the contact centre are listed below:

Services	
Adult Occupational Therapy/Adult Social Work	Housing Benefits
Assisted Travel	Out of Hours Service
Building Control	Parking PCN Warrant / Parking Permits
Council Tax Recovery / Tax Collection	Planning Services
Environment and Operations	Street Based Services
Children's FYI	Switchboard
Births & Deaths	School Admissions - Applications / General Queries

Summary of the Final Tender

There are 279 commitments in Capita's proposal, and 3 of them are directly about equalities:

- Two are similar in content - both committing to providing advocacy for the vulnerable (T1 - 13 and T3 - 29); and
- One commits to actively identifying those who need support – by using the insight which is available (T1 – 29)

There are a further 23 commitments which mention an equalities-related benefit.

Equalities, sensitivity to the needs of the community, consideration of individual customer access needs and requirements are all woven into the fabric of the Final Tender. Capita clearly understands that this is a fundamental aspect of local service delivery and that there is a need to be inclusive when operating in an environment of diverse needs.

Even if the Council did not specifically request this activity, it is evident that equal access and tailored services would be delivered to the community in any case, as it is an integral component of Capita's vision for individuals and communities (via personalisation and consideration of community cohesion).

Fundamentally, the overall solution provides a comprehensive set of tools to ensure the Council's services are being delivered in a fully inclusive manner, and an operating/improvement framework that is responsive to changes in the borough's demographic composition. They are:

1. A Customer Insight Engine
2. A Single Customer Account
3. Customer Relationship Management system (CRM)
4. Self Service Portals
5. A Complaints System which is integrated with CRM
6. Customer Service Agents will have training and tools to meet the Council's equalities and safeguarding obligations
7. Co-design – and the use of personas (e.g. these are detailed descriptions of customers that used to test service improvement ideas before they are implemented)
8. Co Design workshops and engagement with stakeholders and the use of Persona's to test service concepts, prototypes and plans with customers
9. An extended Advisory Panel to represent customers and stakeholder groups including new organisations such as FutureGov, Alzheimer's society, Barnet Homes, Nutmeg, Youth Groups and others
10. Knowledge management tools that understand customer needs and preferences to help shape services and information
11. Customer surveys and quality assessments
12. Formal accreditations and benchmarking processes and quality assessments
13. Business Process Mapping software
14. Continuous improvement and challenge to services to ensure they reflect customer need
15. Continuous insight and Management Information

16. Ward reports (for members) providing rich data

Our analysis suggests that Capita is in full command of how the technical environment can assist them in improving services and they are tuned in to the service needs of a diverse community.

2. The diversity profile of the service’s customers (people from groups with protected characteristics)

Current situation

The Council currently gathers information about the diversity profile of its customers using GovMetric’s customer service tool. 3,671 completed surveys were received by August 2012. The equalities section of the survey covers age, disability status, gender and race/ethnicity but it is optional and only about 16% of respondents choose to complete it. All staff across the different Customer Services contact channels are required to ask customers to complete the satisfaction survey. Customers are encouraged to supply diversity information at the end of every survey and are assured that information provided is confidential and can not be attributed back to them. As just 588 residents (16%) opted to complete the full equalities and diversity section of the survey, these results are only an indicative picture of the equalities characteristics of current service users.

The service does not currently collect information about the following protected characteristics: Gender Reassignment; Marital status; Pregnancy & maternity; Religion or belief; Sexual Orientation. This reflects a belief amongst staff that many customers would deem these questions too personal in the context of the services they are contacting the Council about. This is evidenced by the low level of completion of the equalities section of the GovMetric customer satisfaction survey.

The limitations with the GovMetric data make it difficult to make confident claims about the current diversity / equality profile of the Council’s customer base. This in turn makes it more difficult to assess how Capita’s proposals may change the current equalities profile of people accessing Barnet’s service.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Single customer view, insight engine and customer	<p>Positive</p> <p>The Insight Engine and single customer view (a customer profile that links information about a customer’s transactions with information about them</p>	High	Medium	Capita have made a commitment in their Final Tender to advocate on behalf of	Capita & Council Commissioning	Prior to insight engine implementation

<p>profiling</p>	<p>such as their address, first language and preferences for services) will enable the automated production of data for the whole customer base and it will be readily available for the Council to access. It will be possible to add equalities information to customer records (with the customer's consent). This means that the Council would be able to analyse every transaction logged in the Insight Engine from an equalities perspective. This will make it much easier to identify equalities issues and address them.</p> <p>Capita will provide the capacity and capability to analyse the customer data. They will provide it in a useable form to all delivery units (including Customer Services) and Capita will challenge delivery units that are failing to meet customer needs.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>		<p>vulnerable groups. These groups include people with protected characteristics under equalities legislation. Capita will also undertake Co-design activities with Customer Groups and the Advisory Panel to understand customer need and the way that services need to be presented and fulfilled</p> <p>The Council should work with Capita to ensure that both the design of the insight engine and the behaviour of customer services staff support the collection of equalities data.</p>	<p>Group</p>	
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3. The experience of customers from groups with protected characteristics

Current situation

Satisfaction and volumetric data from GovMetric is produced on a monthly basis. This data and any specific customer comments are circulated to the management team on a monthly basis. This data does not routinely breakdown feedback by protected group.

Satisfaction information is used to drive service improvement work. Although the data is not routinely broken down by protected group it has still prompted service improvement projects that help groups with protected characteristics. For example, there is now a single point of contact for Youth Services.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Access strategy	<p>Positive</p> <p>Capita has proposed the development of an Access Strategy for each customer segment with services mapped to customer needs and preferences.</p> <p>As part of this strategy it has suggested increasing the use of social media to engage customers. Not all groups with protected characteristics will feel able to engage with the Council using social media, therefore Capita has committed to provide face to face services, improve other access channels and review the locality Strategy to ensure community assets are accessible, well placed in order enable the same quality of information and support to be provided.</p>	High	Medium	<p>Capita will ensure that groups with protected characteristics are properly represented among its customer segments, co-design groups and the Advisory Panel.</p> <p>The access strategy will ensure that groups not able or comfortable engaging with the Council via social media receive the same quality of information and support through alternate channels</p>	Capita and Council Commissioning Group	During transition and ongoing, prior to introduction of new customer access strategy and whenever it is updated.

	<p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p> <p>In particular, older people and disabled people may find it more difficult to engage via social media.</p>			such as face to face and telephone.		
<p>Service improvement</p>	<p>Positive</p> <p>The single customer view (mentioned in question 1) will make it much easier to identify equalities related issues across all services including Customer Services. This will make it easier to identify what the Council should do to improve its service to groups with protected characteristics.</p> <p>Capita's approach to service improvement involves co-design which would give people from groups with protected characteristics the opportunity to directly influence service improvement work. Co-design is an ongoing methodology used for continuous improvement.</p> <p>Co-design is not suitable for every improvement project however; for smaller incremental changes Capita will use personas (detailed profiles of representative customers) to sense-</p>	<p>High</p>	<p>Medium</p>	<p>The Council's Commissioning Group should:</p> <ul style="list-style-type: none"> • Monitor how often and when co-production is used with groups with protected characteristics to ensure co-production is used appropriately • Ensure that personas created by Capita are representative of groups with protected characteristics <p>Capita should establish a list of</p>	<p>Capita and Council Commissioning Group</p>	<p>Personas – During the set-up of Capita's service improvement processes. Within the first 3 months of the contract, and alongside the Customer Access Strategy development.</p>

	<p>check improvement proposals.</p> <p>Capita will undertake customer surveys, quality assessments and formal accreditations process to ensure that service comply with industry and legislative standards.,</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p> <p>In particular, parents may find it more difficult to find the time to participate in co-design activities</p>		<p>suitable parties to engage in the co-design process so that this is a 'built in' consultation opportunity from the outset. This could include both customers and local organisations who represent hard to reach or faith/race community groups within the borough or nationally (e.g. Age Concern or 'Barnet Borough Sight Impaired').</p> <p>Capita should ensure that it surveys wide ranging representative customer groups when assessing service quality and consults with appropriate support groups where service improvement is needed.</p> <p>Capita will include an equalities assessment in all</p>		
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Face to face	Positive Capita have proposed developing a new face to face customer access point in Colindale, where much of the borough's deprivation is concentrated. This proposal could increase the accessibility of service and therefore the satisfaction of residents in the west of the borough, including those with protected characteristics. This is a proposal rather than a firm commitment from Capita and will depend on a number of factors, not least Council consent and the outcome of a dedicated equalities impact assessment. Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.	Medium	Medium	service design, users testing and the procurement of any services or good purchased based on the emerging commissioning strategy	Capita and Council Commissioning Group	Before any decision can be taken on the site of a new face to face contact site.
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<p>Customer satisfaction</p>	<p>Positive</p> <p>As part of its delivery of Customer Services Capita has undertaken to analyse information about delivery units' performance and customer satisfaction. Capita will challenge poor performance.</p> <p>Capita will look at delivery units' service to 'vulnerable groups'. Among the groups of customers monitored will be people from groups with protected characteristics.</p> <p>Capita has committed to developing longer term performance measures about how the cross cutting NSCSO services meet the needs of Customers and its success in fulfilling those needs rather than more traditional in service SLAs</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	<p>High</p>	<p>High</p>	<p>Capita have a commitment in their Final Tender to advocate for vulnerable groups, these groups include people from groups protected under equalities legislation.</p> <p>The Council should work with Capita to ensure that the analysis of customer satisfaction data includes analysis by protected characteristics so that any differential levels of satisfaction can be identified.</p> <p>Capita will include an equalities assessment in all service design, users testing and the procurement of any services or good purchased based on the emerging commissioning strategy</p>	<p>Capita and Council Commissioning Group</p>	<p>Prior to introduction of new customer satisfaction data collection methodologies and at appropriate review points throughout contract.</p>
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<p>Loss of existing employees</p>	<p>Negative Restructuring and relocation by Capita is likely to result in the loss of existing employees, which in turn could result in loss of knowledge and experience such as that which enables customers with protected characteristics to be served effectively. A dedicated EIA is needed to ascertain what particular knowledge may be lost without remedial action. Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	<p>High</p>	<p>Low</p>	<p>Capita should ensure knowledge transfer to the new staff who will be delivering the service to maintain service levels. Capita has committed to comprehensive tacit and formal knowledge capture and transfer during the transition period and after service commencement, utilising a variety of methods. The information sharing between staff located in different sites will be facilitated through investment in improved technology. Capita have a strong base of experienced local government customer service advisors and service delivery teams which will allow them to provide additional capacity, support and bandwidth to address any knowledge gaps.</p>	<p>Capita and Council Commissioning Group</p>	<p>During the planning phase for restructuring and re-location proposals</p>
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<p>Increased use of self service and automated access channels</p>	<p>Negative</p> <p>Capita intend to reduce cost by employing a channel shift strategy whereby those who are able to self-serve through the web or through automated telephony for example are encouraged to do so.</p> <p>It is clear that self-service will be easier for some customers than for others.</p> <p>Capita have offered proposals for reducing digital exclusion in Barnet by recycling old IT equipment no longer used by the services into schools, community groups or to charities.</p> <p>This is an issue for customers in the west of the borough who have a lower inclination to use online self-service tools. However, Capita will maintain the free internet access currently provided at face to face sites, access strategies for a range of distinct customer 'personas' or segments, and will introduce an advocacy service for vulnerable customers to support them in receiving the service they need.</p> <p>Capita have proposed a natural voice recognition solution, and accents affect the accuracy of language recognition.</p> <p>Groups with protected characteristics that these self-service proposals are most likely to impact on: Age,</p>	<p>Low</p>	<p>Medium</p>	<p>Capita has already committed to maintaining non self-service access channels such as face to face, and introducing additional measures such as advocacy to support customers less able to self-serve. With regard to automated telephony that relies on voice recognition , Capita will need to consider, in conjunction with the Council, phonetic recorders that allows call recordings to be used to increase the voice recognition 'taxonomy and Phonims', and redirection to a call handler if voice recognition fails. The Council will input into detailed requirements, specification design and sign off.</p>	<p>Capita and Council Commissioning Group</p>	<p>Prior to implementation of self-service and automated options.</p>
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Disability, Race (language).				
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4. The existing arrangements for monitoring and promoting equality and diversity

Current situation

Customer Services do not have formal training or procedures in place to promote equality and diversity (with the exception of management within the Social Care Direct Team). Instead, teams rely on informal practice and culture. However, the service does use Barnet's overall equalities policy (Barnet Equalities Policy 2010) and there are overarching policies that promote inclusion, for instance, all Council buildings are accessible for disabled users and telephone calls are charged at a local rate.

The Social Care Direct team's management do have equalities training and training is planned for all team members. The team also capture very detailed equalities information if they are contacted by someone who is not already known to services. This information is stored in the Adult Social Services database Swift. The team also has a well-developed approach to working with more vulnerable groups with protected characteristics (those with learning difficulties and mental health problems).

Customer Services has been promoting a shift to towards self-service on the Council's website. It has increased the range of transactions carried out online. This helps groups with protected characteristics that have difficulty using the phone or face to face channels to access customer services (people with hearing difficulties or mobility problems). The service provides support to access the online channel through the face to face channel. Most transactions are available through several channels which mitigates the impact of the switch. In line with the Council's policy Customer Services no longer provides a formal translation service. The service tries to help as many people as possible in English, asks customers to use their family or friends to assist them, or, as a final resort checks if any of the staff available at a site or in the contact centre have the language skills necessary to help the customer.

Customer Services use Type Talk, Mini Com, large fonts and braille formats to help residents with sensory impairments access the Council. Face to face staff will offer to talk a customer through any written information or forms. Customers with a hearing difficulty are able to use induction loops at Burnt Oak library and a Sign Video at Barnet House.

	Description of potential impact	Likelihood of impact	Degree of Impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Formalising the approach to	Positive Capita has proposed formal equalities	High	Medium	The formalisation of	The	Within the first

<p>equalities training and procedure</p>	<p>training for all staff in Customer Services and the development of tools to support staff. They have also made commitments (discussed under questions 1 and 2) to build equalities considerations into Customer Service's analysis of customer data and projects to improve the service.</p> <p>The web site and other self services or automated channels will be designed with user needs in mind and design decisions will accommodate the needs those with protected characteristics or special needs.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>			<p>equalities training should capture current good practice already existing within Customer Services teams. In addition, the formalisation of training should not lead to a one size fits all approach, each team within Customer Services should be supported to develop additional equalities training that focuses on the implications of equalities for the services / functions they perform.</p>	<p>Council's commissioning group should actively manage the development of formal equalities processes and policies in Customer Services to make sure that all the informal good practice of teams within the service is captured.</p>	<p>year of Capita taking on Customer Services and before any part of the service is moved to a location outside of Barnet.</p>
<p>Face to face access</p>	<p>Neutral</p> <p>Face to face can be a very important channel for people from some equalities groups (those with hearing problems or who have English as a second language). Capita have undertaken to maintain the</p>	<p>High</p>	<p>n/a (preservation of status quo)</p>	<p>Effective clienting and contract management by the Council's Commissioning Group For Colindale</p>	<p>Council's Commissioning Group</p>	<p>Ongoing</p>

<p>Online access</p>	<p>Council's current arrangements for providing face to face services. It will not change locations, staff numbers, or opening hours.</p> <p>It should be noted that Capita made an aspirational proposal to develop a new Council office in Colindale. One impact of this might be an amendment to face to face access. Any such amendment would need to be subject to a dedicated business case and Council-approved equalities impact assessment.</p> <p>Capita have also committed to develop a Localities Strategy ensuring that community buildings offer the right services in the right location in order to maximise benefits for the customers and the Council</p> <p>Groups with protected characteristics that face to face provision is most pertinent to: Age, Disability, Pregnancy and maternity (including teenage parents), Race.</p>	<p>High</p>	<p>n/a (preservation of status quo)</p>	<p>proposal, see comments above.</p> <p>The Localities and Ward Strategy will support better planning around community facilities and their use by customers.</p>	<p>Council's Commissioning Group</p>	<p>Ongoing</p>
<p>Neutral</p> <p>Capita have undertaken to maintain the Council's current level of web access. This means the website itself will be translatable using a tool like Google's website translator but embedded documents will need to be copied and pasted into a text translation tool. The website will continue to have BrowseAloud (or a similar tool) for sight</p>	<p>Neutral</p> <p>Capita have undertaken to maintain the Council's current level of web access. This means the website itself will be translatable using a tool like Google's website translator but embedded documents will need to be copied and pasted into a text translation tool. The website will continue to have BrowseAloud (or a similar tool) for sight</p>	<p>High</p>	<p>n/a (preservation of status quo)</p>	<p>As this impact is neutral, no action is necessary other than effective client and contract management to ensure commitments are adhered to.</p> <p>Should the Council</p>	<p>Council's Commissioning Group</p>	<p>Ongoing</p>

	<p>impaired customers.</p> <p>Capita have offered proposals for reducing digital exclusion in Barnet by recycling old IT equipment no longer used by the services into schools, community groups or to charities.</p> <p>Digital exclusion is an issue for customers in the west of the borough who have a lower inclination to use online self-service tools. However, Capita will maintain the free internet access currently provided at face to face sites.</p> <p>Groups with protected characteristics that these proposals relating to online provision are most pertinent to: Age, Disability, Race (language).</p>			<p>decide to address digital exclusion further to current arrangements the Council's Commissioning Group will need to liaise with Capita to explore options.</p>		
<p>Special access</p>	<p>Neutral</p> <p>Capita have undertaken to maintain the Council's current special access sites and tools. For example, induction loops at Burnt Oak library and a Sign Video at Barnet House.</p> <p>Groups with protected characteristics that this provision is most pertinent to: Age, Disability.</p>	<p>High</p>	<p>n/a (preservation of status quo)</p>	<p>As this impact is neutral, no immediate action is necessary other than effective client and contract management of the commitments made..</p>	<p>Council's Commissioning Group</p>	<p>Ongoing</p>
<p>Relocation of call handlers</p>	<p>Negative</p> <p>Capita have indicated that in the medium term they may move the call centre outside of Barnet. As a lot of the call centre's current practice around equalities and diversities is informal, the change in</p>	<p>Low</p>	<p>Medium</p>	<p>The Council's Commissioning Group should actively develop formal equalities processes</p>	<p>The Council's Commissioning</p>	<p>Before the transfer of the call centre outside Barnet.</p>

	<p>personnel associated with such a move could result in a deterioration of service to groups with protected characteristics. However, Capita have given commitments to formalise a lot of Customer Services' practice around diversity and equality. If this were done prior to any move, then the change in personnel should not impact the service in relation to groups with protected characteristics.</p> <p>Capita has also committed to provide tools and processes that support a single view of the customer across all channels and services ensuring service consistency despite the relocation of services.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>			<p>and policies in Customer Services to make sure that all the informal good practice of teams within the service is captured.</p> <p>Capita will include an equalities assessment in all service design, users testing and the procurement of any services or good purchased based on the emerging commissioning strategy</p>	Group.
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5. Existing known equalities issues in the service

Current situation

Complaints - There is a lack of equalities data around complaints made about customer services due to limitations of the current complaints system. Many complaints are reported to Councillors by email or by letter but these complaints rarely contain any equalities information.

Translation - Software limitations mean staff cannot record when they are unable to deal with a call due to a language barrier so we do not have an accurate picture of the need that may exist for a wider or more formal translation service.

Training - At present most staff are not receiving any specific equalities and diversity training and do not have access to a staff handbook or policy outlining the approach customer services take to ensure due regard of protected characteristics.

Data – The limitations with the GovMetrics data makes it difficult to make confident claims about the current diversity / equality profile of the Council's customer base.

Decision making - The absence of more extensive equalities data collected across all customer services channels reduces the ability of the service to build a consideration of equalities into its continuous improvement work, performance review and day-to-day decision making.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Complaints	<p>Positive</p> <p>Complaints (however received) will be linked back to a customer's profile held in the insight engine. Where customers have given consent for their equalities data to be stored it will be possible to analyse complaints from an equalities perspective.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	High	Medium	<p>Capita has given an undertaking to use customer feedback, including complaints to challenge delivery units for failing to meet customer needs.</p> <p>The Council should work with Capita to ensure that both the design of the insight engine and the behaviour of customer services staff support the collection of equalities data</p> <p>Capita has committed to maintain the Councils current Complaints</p>	Capita & Council Commissioning Group	Prior to insight engine implementation

Translation	<p>Positive</p> <p>The new CRM (which will be used by the CSO) will enable a customer profile to be held for each customer, and attributes such as '<i>spoken language (if not English)</i>' can be recorded there. That means at the point of service delivery a customer's language needs would be understood, and if necessary routed to the correct agent or language service (using caller recognition capability in the telephony set up) , or the appropriate call back can be planned. It also means that for 'outbound' service delivery a list could be run of all speakers of a given language, so that initial contact can be made in the correct language. The same applies to the need for specialist formats such as 'Braille'.</p> <p>Integration of customer data via a single customer account, could ensure that this type of demographic data (which needs to be held with ' explicit customer consent' to be shared across services) is maintained in one place but available to users of back office systems as the primary source of data. This would avoid the scope for duplication and mistakes by holding this type of data in multiple</p>		<p>High</p>		<p>Medium</p>	<p>procedures across all services and meet all the existing SLAs in relation to any complaints received</p>	<p>The Council should work with Capita to ensure that there is correct set up of Single Customer Account and customer attributes, including record of customer consent given (date and time) for equalities related information</p>		<p>Capita & Council Commissioning Group</p>		<p>During CRM configuration (within first 9-12 months)</p>
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						systems. Groups with protected characteristics that this may impact upon: Disability, Race.					
Training						See response under section 4 "Formalising the approach to equalities training and procedure"					
Data						See response under section 2 "Single customer view, insight engine and customer profiling"					
Decision Making						See response under section 2 "Single customer view, insight engine and customer profiling" and section 3 "Service improvement"					

Equalities Impact Assessment of Capita's Final Tender on Revenues and Benefits customers

1. Introduction

Current Situation

The Revenues and Benefits Service is composed of 2 functions: the Revenues function provides an almost universal service (collection of Council tax) while the Benefits function provides a service targeted at residents who need support (distribution of Housing and Council Tax benefits). The functions share senior management but are delivered by separate teams. The teams share some common elements (some policies and training are joint) but their day-to-day operations are largely separate.

Both functions' customers are primarily private individuals some of whom will belong to protected equalities groups, customers from protected groups are of interests from an external Equalities Impact Assessment perspective.

Summary of Final Tender

Capita's solution for Revenues and Benefits includes the following features:

- Relocation of the Customer Services Contact Centre (including Revenues & Benefits call handling) and Revenues & Benefits processing to Darwen, Lancs within the first 12 months; Migration of Revenues & Benefits Support and Control functions to Bromley, Kent in 2014
- Consolidation of Council Tax/National Non-Domestic Rates Recovery with Benefits Overpayments to provide a single view of customer debt
- Introduction of phone applications for benefits, and extension of facilities to perform transactions online
- Investment in technology, process automation and an increased focus on self-help and self-service with options such as text messaging and e-billing
- Introduction of an 'Insight Engine' to inform service design and continuous improvement
- Improved understanding of customer circumstances through data allowing targeted campaigns for benefit take up and the ability to tailor recovery strategies around those customers who won't pay rather than cant pay

2. The diversity profile of the service's customers (people from groups with protected characteristics)

Current situation

A diversity profile of external customers has not been gathered routinely by the Revenues and Benefits Service. The Revenues function of the service is close to universal so for the purposes of day-to-day decision making it assumes its customer composition, including the representation of groups with protected characteristics, reflects that of the borough as a whole (covered in the introduction to this document). The Benefits function is a targeted service and relies on periodic customer satisfaction surveys and its strong links to community groups to inform its day-to-day decision making.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Single customer view, insight engine and customer profiling	<p>Positive</p> <p>This impact assessment is exactly as contained in section 2 of the Customer Services EIA.</p> <p>In addition, Capita have committed to improved understanding of customer circumstances through data allowing targeted campaigns for benefit take up and the ability to tailor recovery strategies around those customers who won't pay rather than can't pay</p>	<p><u>High</u></p>	<p>Medium</p>	<p>Ensure there is a clear policy in relation to debt recovery and dealing with vulnerable customers</p>	<p>Council</p>	<p>Prior to contract go live on 1 April</p>

3. The experience of customers from groups with protected characteristics

Current situation

The Revenues and Benefits service has the same customer satisfaction data limitations as described above in the Customer Services EIA, where only 16% of satisfaction survey responses include equalities information. The service relies on the overall satisfaction levels provided Customer Services and uses it to inform service improvement projects.

The latest Benefits function satisfaction survey was carried out in 2010 and included analysis of satisfaction by several groups with protected characteristics: age, sex, disability and ethnic origin. It did not cover: gender reassignment, marital status, pregnancy & maternity, religion or belief and sexual orientation. The survey revealed lower levels of satisfaction amongst service users with a learning disability. The service responded by revising housing and Council tax benefit application forms to make them easier to complete.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Access strategy	Positive This impact assessment is exactly as contained in section 3 of the Customer Services EIA.					
Service Improvements	Positive This impact assessment is exactly as contained in section 3 of the Customer Services EIA.					
Customer satisfaction	Positive This impact assessment is exactly as contained in section 3 of the Customer Services EIA.					
Loss of existing employees	Negative This impact assessment is exactly as contained in section 3 of the Customer Services EIA.					
E-billing	Negative Capita will introduce electronic billing for customers that would rather have a more automated process for receiving and paying their Council tax bills. The existing	Low	Low	Capita to maintain existing non electronic access channels; Council commissioning	Capita and Council Commissioning	Ongoing

<p>Life events</p>	<p>paper-based, telephone and face to face channels will be maintained for those customers who do not wish to transact in this way, and any future proposal to reduce or remove access channels would be subject to an equalities impact assessment prior to a decision.</p>	<p>High</p>	<p>Medium</p>	<p>group to keep accessibility under review and ensure changes are subject to an EIA</p>	<p>oning Group</p>	
<p>Positive</p> <p>Capita is proposing to use a life events approach for the design of customer experience. This is likely to increase customer satisfaction.</p> <ul style="list-style-type: none"> • A customer having to notify Barnet of the death of a relative would not have to inform Revenues and Benefits, Housing or any other service in addition to the registrar. • A customer that informed the Council that they are unemployed could be provided not only with advice on benefits but with other hardship funds or sources of support they may be able to access. • A customer who was facing multiple debts across the Council could be dealt with in a joined up way with a single approach to managing and reducing the debt and access to relevant advice and support <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital</p>				<p>Capita should consider the particular needs of groups with protected characteristics when designing the life events approach, to ensure that life events relating to all groups are considered.</p>	<p>Capita and Council Commissioning Group</p>	<p>During the design of life events approach</p>

Relocation	status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.	Low	Medium	Capita should ensure that effective information sharing between customer facing and back office officers is enabled and that this mitigates loss of face to face contact. Capita state that this will be achieved through investment in improved technology, and the single customer view this will deliver.	Capita and Council Commissioning Group	Before the relocation occurs
	<p>Negative</p> <p>Capita will move some back office revenues and benefits functions (the processing of forms) out of the borough. This will remove face to face contact between customer facing officers and officers undertaking back office roles. This could make it more difficult to communicate the specific needs of individual customers thus making it harder to appropriately support individuals with protected characteristics. Capita has also committed to provide tools and processes that support a single view of the customer across all channels and services ensuring service consistency despite the relocation of services.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>					

4. The existing arrangements for monitoring and promoting equality and diversity

Current situation

The arrangements for monitoring equality and diversity are described in sections 1 and 2.

The Revenues and Benefits Service has a formal training programme for staff. One session of this training is dedicated to equality and equality of access to the services. This training makes staff more aware of their legal duties and the requirement to work in a fair and accessible manner. It also has a Service Accessibility Policy that explains the service's obligations under local policy and national legislation. The policy document is translated into practical measures by the Service Accessibility Strategy. The policy and strategy were last reviewed in 2011 and will be reviewed by 1 January 2013.

The Benefits function trains members of the Customer Service Group (advice agencies) on changes to the Housing Benefit scheme. The Benefits function organises these sessions and invites a representative of the DWP to provide training/advice on benefits not provided by the Council.

Key decisions within the Revenues and Benefits Service are supported by consultations that take into account equalities considerations.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Training and policy	<p>Neutral</p> <p>Capita has undertaken to provide formal equalities training for all staff and develop tools to support staff.</p> <p>Revenues and Benefits already has formal training and policies to help guide staff.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	High	Low	Capita should look at Revenue and Benefits training and incorporate it into any new training.	Capita	Transition

Community groups	<p>Neutral</p> <p>Capita has undertaken to continue delivering training to the Customer Service Group (advice agencies). Capita will employ its co-design process including customer segmentation, customer consultation groups and customer life event tracking to understand the needs of older people or people with a disability. Working with these customers, other Council services, community support groups and the third sector will also ensure that their needs are not compromised in the drive for efficiency through automation and self service. The existing Advisory Panel of customers and stakeholder will be extended to provide additional insight to inform service decisions.</p> <ul style="list-style-type: none"> Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation. 	<p>High</p>	<p>Low</p>	<p>Effective clienting and contract management by the Council's Commissioning Group</p> <p>Council to ensure that representative groups are engaged in the co-design process</p>	<p>Council's Commissioning Group</p>	<p>Ongoing</p>
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<p>Consultations</p>	<p>Neutral</p> <p>Capita has undertaken to continue running consultations to inform significant service decisions.</p> <p>Capita has recognised that not all customers will be available at the same time and through the same content channels and that engagement will need to be tailored to stakeholder needs. Co-design workshops and consultation will therefore be managed around these needs with the ability for customers to provide feedback through surveys, social media forums and through evening workshops.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	<p>High</p>	<p>Low</p>	<p>Capita needs to ensure that the protected characteristics are effectively represented in the sample of customers consulted with.</p>	<p>Capita and Council's Commissioning Group</p>	<p>Ongoing</p>
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5. Existing known equalities issues in the service

Current situation

The systems that support the Revenues and Benefits Service do not routinely gather equalities data. The service relies on surveys and consultations to assess its performance on equalities issues. The absence of regularly updated equalities data reduces the ability of the service to build consideration of equalities into its continuous improvement work and day-to-day management decision making.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Customer data	See response under section 1 “Establishing a customer profile”					
Continuous improvement	See response under section 3 “Service improvement” and “Customer satisfaction”					

Equalities Impact Assessment of Capita's Final Tender on Estates customers

1. Introduction

Current Situation

The main focus of the Estates Service is the management of assets owned and controlled by the Council for the benefit of the citizens of Barnet. The activities carried out to deliver this are grouped into four main areas: Property Valuation and Management, Facilities Management, Building Services, and Document Distribution and Mail. The majority of the customers of all of these services are internal and are not pertinent to this public facing external Equalities Impact Assessment (EIA).

Property Valuation and Management look after the Council's property portfolio. A small number of customers that let properties from the portfolio are private individuals and external organisations. Only external customers (both individual and organisations) that form part of a group with protected characteristics are relevant to this assessment.

Facilities Management manage the Council's civic estate. They make sure buildings are fit for purpose and that they comply with health and safety legislation. Most people who use the Council's civic estate are internal customers, only external visitors that have characteristics from a group with protected characteristics are relevant to this assessment.

Building Services can accept instructions from internal London Borough of Barnet (The Council) customers in respect of all non-housing property and from all community and LCVAP schools within the borough. They manage repairs and maintenance and capital works projects which are valued at under £1 million, usually at about £150,000. Only community and LCVAP schools that focus on serving children from groups with protected equalities characteristics are relevant to this assessment.

Document Distribution and Mail provide general print work services, and some specialist work like pop up banners. They do not provide design services. They also deliver mail internally and to schools. Only the service's work with community and LCVAP that focus on serving children from groups with protected equalities characteristics are relevant to this assessment.

The relatively small proportion of external customers of the Estates function means that external equalities are not a key focus of the service. However, the working practices built up to deal with a very diverse internal customer base leads to good practice for external customers too.

Summary of Final Tender

The external equalities agenda did not feature prominently within the Estates service method statement and there was limited content about how the bidder had considered and planned for groups with protected characteristics in their Estates service solution. However the overall approach being taken by Capita to gathering and using customer data applies to all services equally.

2. The diversity profile of the service's customers (people from groups with protected characteristics)

Current situation

The Estates Service currently gathers very little information about the diversity of its external customer base. The lack of data makes it difficult to make confident claims about the current protected characteristics / equality profile of Estates' external customer. A lack of a baseline makes it more difficult to assess how bidders' proposals may change customer profile. However, it was still possible to assess whether a proposal by bidders was likely to have a positive or negative impact on groups with protected characteristics and Estates' ability to serve them.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Single customer view, insight engine and customer profiling	<p>Positive</p> <p>This impact assessment is exactly as contained in section 2 of the Customer Services EIA.</p>					
Asset management system	<p>Positive</p> <p>Capita is installing an asset management system which will have a management information capacity. This system could be used to capture equalities data to make it easy for the service to monitor its work with external groups with protected characteristics.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	High	Medium	Capita and Council to discuss the use of the system in this way	Capita and Council's Commissioning Group	During transition and ongoing

3. Experience of customers from groups with protected characteristics

Current situation

Customer satisfaction and complaints data is collected centrally by the Council. However complaints data relating to Estates and its component functions is not currently categorised and as such it is not possible to extract a robust representative sample to analyse for equalities issues. Customer Services does not routinely provide Estates' management team with customer satisfaction information cut by equalities groups (groups with protected characteristics). This could be because the samples are small (only 16% of satisfaction surveys include equalities information and only a small number of these surveys would relate to Estates).

Therefore most of the Estates Service's functions rely on informal feedback to help them assess their performance with external customers in general and those from groups with protected characteristics, there is no formal analysis of this feedback managers rely on experience and judgement. Three functions that have or will soon get some formal feedback are:

- Building Services collect formal feedback through their project reviews, however, the feedback is not analysed from an equalities perspective.
- Document Distribution and Mail are in the process of developing a feedback questionnaire.
- Facilities Management get some feedback from 'widgets' set up in public spaces to capture customers experience; but they do not capture equalities information as most feedback relates to the service the customer received rather than the facilities.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Customer satisfaction	Positive This impact assessment is exactly as contained in section 3 of the Customer Services EIA.					
Face to face access	Positive Capita proposes to establish 'Neighbourhub' which are community locations where citizens can easily access the full range of services available	Low	Low	The Council's Commissioning Group should monitor Capita's progress	Council's Commissioning Group	Transition phase and ongoing

<p>Relationship with schools</p>	<p>through the CSO.</p> <p>Colindale is proposed as the first of these new locations because of Capita has recognised that a high degree of deprivation in this area as well as the projected population increase as a result of regeneration. This should have a positive impact on the satisfaction of groups with protected characteristics in the area.</p> <p>Capita have also committed to develop a Localities Strategy ensuring that community buildings offer the right services in the right location in order to maximise benefits for the customers and the Council</p>	<p>High</p>	<p>Medium</p>	<p>developing the Neighbourhubs and check there is a contingency plan.</p>	<p>The Council's Commissioning Group should monitor Capita's progress</p>	<p>Capita and the Council's Commissioning Group</p>	<p>Transition phase and ongoing</p>
<p>Positive</p> <p>Capita have committed to set up an education unit that would create a one-stop shop for schools getting Estates-related services from the Council.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>							

4. Existing arrangements for monitoring and promoting equality and diversity

Current situation

Given the lack of formal data collection on equalities there is currently limited capacity for monitoring equality and diversity. Staff rely on informal monitoring through customer feedback and observing staff-customer interactions. Currently the service has several help desks for different teams; this also makes monitoring more difficult by creating multiple locations within the service where feedback and complaints may be received.

Staff do not currently receive equalities training, but incorporate consideration of minority groups and equalities issues in day-to-day service management in a proactive way.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Training	<p>Positive</p> <p>Capita has a 'people care' programme in place to support its employees and managers. This includes providing diversity training.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	High	Low	The Council's Commissioning Group should monitor Capita's progress	Capita and the Council's Commissioning Group	Transition phase and ongoing
Communication with customers and staff	<p>Positive</p> <p>Capita has stated that they will introduce increased communication and provide forums at least quarterly for customers and retained staff.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability,</p>	High	Low	Capita should ensure that groups with protected characteristics are represented on their user forums and the	Capita and the Council's Commissioning Group	From commencement of contract

<p>Locality strategy</p>	<p>Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p> <p>Positive Capita has committed to undertake locality strategies which will inform the estates service required to support delivery of Council services. Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	<p>High</p>	<p>Low</p>	<p>Council's Commissioning Group should monitor Capita's progress</p> <p>Capita should ensure that an Equalities Impact Assessment is undertaken to identify if proposals will affect staff or the public in groups with protected characteristics and what can be done to mitigate these effects. They should also consider people with caring responsibilities and the Council's Commissioning Group should monitor Capita's progress.</p>	<p>Capita and the Council's Commissioning Group</p>	<p>Prior to implementation of any new change</p>
<p>Central help desk</p>	<p>Positive A helpdesk will be maintained by Capita for the Estates Service. Having a centralised helpdesk should improve the handling of complaints as they can be categorised and analysed (including analysis of equalities issues in complaints). Groups with protected characteristics that this may impact upon: Age, Disability,</p>	<p>High</p>	<p>Medium</p>	<p>The Council's Commissioning Group should give Capita clear guidance on the equalities information it wants as part of the monitoring of complaints.</p>	<p>Council's Commissioning Group</p>	<p>Transition phase</p>

Supporting social enterprises	<p>Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p> <p>Positive</p> <p>Capita states that they will support social enterprise and new start businesses with property from the Council's surplus estate.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	Medium	Low	<p>Insight and equalities analysis should be used as part of the evidence base for supporting these organisations. The Council's Commissioning Group should monitor Capita's progress</p>	Capita and the Council's Commissioning Group	Prior to investment decisions and ongoing
Integrated working with other public sector providers	<p>Positive</p> <p>Capita has stated its intention to develop integrated working with other public sector providers e.g. police, health, community Barnet, CAB.</p> <p>This would enable Barnet residents to access a wider range of public services in one place.</p> <p>Groups with protected characteristics that this may impact upon: Age, Disability, Sex, Gender Reassignment, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sexual Orientation.</p>	High	Medium	<p>Opportunities to integrate with other public sector providers should be evaluated from an equalities perspective.</p>	Capita and the Council's Commissioning Group	During transition and ongoing

Redundancies	Negative Any job losses from the current Facilities Management and Building Services team as a result of the One Team approach could result in the loss of knowledge / experience in dealing with equality issues. For example, the staff at Hendon Town Hall are good at anticipating and meeting the requirements from different faith groups holding the civil part of their marriage ceremony at the Town Hall (e.g. providing separate entrances and waiting areas for men and women etc.) Groups with protected characteristics that this may impact upon: Disability, Race, Religion or belief, Sexual Orientation.	Low	Medium	Capita is putting in place a knowledge transfer programme. The Council's Commissioning Group to monitor.	Capita and the Council's Commissioning Group	Transition phase and ongoing
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5. Existing known equalities issues in the service

Current situation

There are 3 issues that are relevant across the Estates function:

- Complaints - There is a lack of equalities data around complaints and the fragmentation of the collection of complaints makes it difficult to monitor them.
- Training - At present most staff are not receiving any specific equalities and diversity training and do not have access to a staff handbook or policy outlining the approach that Estates take to ensure due regard of protected characteristics.
- Data – The limitations with the equalities data make it difficult to make confident claims about the current diversity / protected characteristics profile of Estates' external customer base.
- Decision making - The absence of more extensive equalities data reduces the ability of Estates to build a formal consideration of equalities issues into day-to-day: improvement work, performance reviews and decision making.

Property Valuation and Management have begun developing a Community Premises Strategy that will help them ensure equality of access to Council properties across the different community groups of Barnet. The strategy will also standardise the process for allocating property, managing repairs and charging. The service have suspended development of the strategy until a bidder is appointed it will then be recommenced.

	Description of potential impact	Likelihood of impact	Degree of impact	Actions that need to be taken to mitigate negative/ensure positive impact	Action owner	Action deadline
Complaints	See response under section 2 “Customer experience” and Section 3 “Central helpdesk”					
Data	See response under section 1 “Establishing a customer profile” and “Asset management system”					
Training	See response under section 3 “Training”					
Accommodation strategy	<p>Potentially negative</p> <p>The bidder’s solution includes a proposal to develop an accommodation strategy may result in the closure of one or more public office, and the opening of a new public office.</p> <p>Capita have also committed to develop a Localities Strategy ensuring that community buildings offer the right services in the right location in order to maximise benefits for the customers and the Council</p> <p>Capita will have to complete a full equalities impact assessment prior to any decisions being taken by the Council.</p>	Low	Medium	Capita should use customer insight to design a strategy that better meets the needs of all customers and conduct a full EIA prior to any decisions being taken by the Council.	Capita and Council Commissioning Group	Ongoing

Employee Equality Impact Assessment

EIA Contents

1. Introduction
2. Any anticipated equalities issues at each milestone and identified mitigation
3. Monitoring Summary
4. Project Milestone Outcomes, Analysis and Actions
5. Briefing, Sharing and Learning

1. Introduction

1.1 Purpose

It is recognised that such a significant transformation of services is likely to have an impact upon staff. This impact will be monitored through the completion of an Employee Equalities Impact Assessment; this is a “live” document and will be updated at key milestones throughout the lifespan of the project.

As part of the public sector Equality Duty, section 149 of the Equality Act 2010, the Authority is required to give due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out activities.

This EIA will be used to understand the impacts on groups of staff over the period of the NSCSO project as well as being used as a baseline for any future decision making by the new provider.

The new provider will support the Authority in complying with its equality duty whilst it provides services on behalf of the Authority.

1.2 Aims and objectives of the OB programme

The project's aim is to enable the Council's support and customer services to be delivered differently to:

- provide improved services for their internal and external customers
- make savings to benefit the taxpayer
- enable them to adapt to a changing and evolving customer base in the light of any One Barnet developments and are therefore sustainable

The proposals approved in the Customer Services Organisation and New Support Organisation options appraisal fit within the One Barnet principles. In line with the One Barnet principles all services should:

- a new relationship with citizens
- be designed and delivered around customers' needs
- provide the best possible customer experience
- enable customers to help themselves by providing accurate and accessible information and enabling self-service wherever possible.

A one public sector approach should:

- be in a position to support the requirements of all public sector partners and drive better multi-agency working
- be flexible and therefore able to rapidly respond to changing demands.

A relentless drive for efficiency should:

- operate as efficiently as possible to both minimise the cost of the service and minimise the cost to customers of accessing the service
- be innovative and take advantage of evolving technology, thinking and practice
- maximise the value the Council achieves from all its assets (Capital and revenue)
- safeguard the Council's position to maintain its reputation and comply with legal responsibilities.

1.3 Description of the critical milestones

- Identification of services in scope via the options appraisal:

- o Corporate procurement
- o Customer Services
- o Estates
- o Corporate programmes
- o Finance
- o Human Resources
- o Information Services and ICT
- o Revenues and Benefits

- End of dialogue one to reflect any changes to the scope of services included (December 2011)

- End of evaluation/Recommendation of preferred bidder (November 2012)
- TUPE transfer of the activity to a third party (April 2013)

1.4 Key Stakeholders

- In scope staff – represented by the staff group and service lead group
- Council customers – represented by the members of the advisory group, these are the service areas that use the services in scope
- Politicians – decisions regarding the progress of the project will be taken by Cabinet Resources Committee and Cabinet
- Senior Council officers – the project is sponsored by the Deputy Chief Executive¹ and the board comprises of senior Council officers
- Trade Unions – represented by trade union staff who attend monthly meetings with the project manager, HR and project sponsor
- Partners – schools and Barnet Homes are able to use a number of services in scope. Barnet Homes are part of the advisory group² and schools have created a working group that meets with the project team to represent their interests.

2. Any Anticipated Equalities Issues at each milestone and identified mitigation

2.1 Identification of services in scope

This is not expected to have an impact on staff as it is purely a paper exercise to establish the size of all the services in scope.

2.2 End of dialogue one

This is not expected to have an impact on equalities. Following the first round of dialogue it may become clear that some services may be added or taken out of scope in which case the staff baseline will need to be re-profiled and updated within the EIA to reflect the new collection.

It is expected that further re-organisations of the services in scope will be carried across 2011/12. At this stage, the nature and extent of these re-organisations is unknown and as such it is not possible to assess whether there will be an equalities impact.

2.3 End of Evaluation/Recommendation of Preferred Bidder

There is anticipated to be relocation of staff in a number of the services outside of Barnet and this may result in some equalities issues during transformation.

2.4 Staff Transfer

¹The sponsor has since changed to the Director of Commercial Services

² Barnet Homes withdrew from the advisory group when they were named as a potential subcontractor by a bidder in July 2011, prior to PQQ submission, in order to protect the integrity of the procurement process

There will be a staggered relocation programme over the first 2 year period of the contract.

Monitoring Summary

Table 1- Employee EIA Profile of the One Barnet New Support and Customer Services Organisation Project (this profile is in accordance with the requirements of the Equality Act 2010 and the Council will collect this information so far as we hold it)

All numbers replaced by an 'X' have been aggregated to protect personal identification

		Critical milestones								
		12/05/11	19/01/12	02/11/12	19/01/12		02/11/12		Transfer Date	
		In-scope Profile at Outset date	End of dialogue 1 date	End of evaluation/ Recommendation of preferred bidder	End of dialogue 1 date		End of evaluation/ Recommendation of preferred bidder		Transfer Date	
		No	% of in-scope group	In-scope %	Total Council Equality Figures %	In-scope %	Total Council Equality Figures %	In-scope %	Total Council Equality Figures %	In-scope %
Number of employees		538	N/A	531	3,179	510	2,784			
Sex	Female	321	60%	61.1%	63.7%	59.2%	64.3%			
	Male	217	40%	38.9%	36.3%	40.8%	35.7%			
Date of Birth (age)	1996-1986	19	3.5%	2.2%	4.1%	3.1%	4.6%			
	1985-1976	123	22.9%	26.2%	20.4%	25.5%	20.4%			
	1975-1966	163	30.3%	32.7%	26.5%	29.0%	25.6%			
	1965-1951	210	39%	35.1%	43.1%	39.6%	44.0%			
	1950-1941	22	4.1%	3.8%	5.7%	2.7%	5.4%			
	1940 and earlier	X	X	X	X	X	X			
Race	White	284	52.8%	52.1%	50.2%	52.0%	51.6%			
	British	X	X	X	3.2%	1.6%	3.1%			
	Irish	28	5.2%	4.3%	6.9%	4.5%	6.8%			
	Other White									

Mixed White and Black Caribbean White and Black African White and Asian Other Mixed	X	X	X	X	X	X	X	X						
	10	1.9%	5%	4%										
	Asian and Asian British													
	57	10.6%	11.4%	6.9%										
	X	X	X	X										
	X	X	X	X										
	13	2.4%	2.2%	1.9%										
	Black or Black British													
	37	6.9%	7.2%	5.8%										
	21	3.9%	3.6%	8.6%										
	X	X	X	X										
	Chinese or Other Ethnic Group													
	X	X	X	X										
10	1.9%	X	1.8%											
Disability	Hearing (such as: deaf, partially deaf or hard of hearing)													
	X	X	X	X										
	Learning difficulties (such as dyslexia)													
	X	X	X	X										
	Mental illness (substantial and lasting more than a year)													
	X	X	X	X										
	Vision (such as blind or fractional/partial sight. Does not include people whose visual problems can be corrected by glasses/contact lenses)													
Reduced physical capacity (such as inability to lift, carry or otherwise move everyday objects, debilitating pain and lack of strength, breath, energy or stamina, asthma, angina or diabetes)														
Mobility (such as wheelchair user, artificial lower limb(s), walking aids, rheumatism or arthritis)														

Religion or Belief	264	49%	49.9%	46.9%	49.6%	47.6%
Christian			X	X	X	X
Buddhist						
Hindu	52	9.7%	9.8%	5.9%	8.8%	6.0%
Jewish	12	2.2%	2.2%	3.1%	2.2%	3.1%
Muslim	30	5.6%	6.5%	4.3%	7.3%	4.3%
Sikh	X	X	X	X	X	X
Other religions	18	3.3%	2.9%	3.6%	2.9%	2.5%
No religion	69	12.8%	X	16.6%	11.8%	16.4%
Not stated	66	12.3%	3.8%	6.3%	12.5%	15.0%
Sexual Orientation						
Heterosexual	390	72.5%	76.7%	67.8%	76.9%	69.6%
Bisexual					X	X
Lesbian / Gay	X	X	X	X	1.0%	1.4%
Marriage and civil partnership						
Married	195	36.2%	36.3%	32.1%	37.3%	32.1%
Single	121	22.5%	21.3%	25.0%	21.6%	23.8%
Widowed	X	X	X	X	X	X
Divorced	25	4.6%	3.8%	2.8%	3.9%	2.8%
In civil partnership	X	X	X	X	X	X
Relevant and related grievances						
Formal	N/A	N/A	N/A	N/A	N/A	N/A
Upheld	N/A	N/A	N/A	N/A	N/A	N/A
Dismissed	N/A	N/A	N/A	N/A	N/A	N/A

Data

The above table shows the protected characteristics for the in-scope community involved in the NSCSO transfer to the new provider. Data has been assessed over the 4 key milestones in the process.

At the first key milestone, the assessment was made of the characteristics against the number of in-scope staff. The following milestones were shown against the in-scope community and the Council as a whole (excluding schools).

The assessment of this data is to:

- understand where certain activities proposed by the new provider may affect one specific group over another.
- understand the make up of the transferring community and compare this against the make up of the Council, the preferred position would be that the transferees are of a similar representation as the Council.
- the assessment at the key milestones is to ensure the transferring community remained of a similar composition and used as a basis to investigate any major changes in the statistics of this group if a dramatic change were identified.

The protected characteristics are: Age, Disability, Gender Reassignment, Marital status, Pregnancy and maternity (including teenage parents), Race, Religion or belief, Sex, Sexual Orientation.

The make up of the transferring group is greater in the following areas:

- Gender: Female
- Age: Born between 1965 and 1951
- Race: White British
- Disability: a limited number of individuals with declared disabilities, these have been aggregated
- Religion or belief: Christian
- Sexual orientation: Heterosexual
- Marriage and civil partnerships: Married

The make up of the transferring group is reflective of that of the retained Council, as shown in table 1, columns 6 and 8.

In a number of these categories the greater characteristic is not by a significant number, for example gender. This has remained around circa 60/40% female/male split. Which does however mean that changes to the transferring group is more likely to affect a higher percentage of women than men.

Transfer of Information on Disability

The Authority has requested that the new provider requests equalities data from the transferring group at the point of transfer, this will not be transferred by the Council.

The intention is to both protect individual staff choice in the provision of this data to a new employer and to give staff the opportunity to refresh their equalities information.

A data cleanse has been carried out with the transferring staff on all transferring data. As part of this staff have been given the opportunity to provide information on workplace adjustments, this can be anything from formal or informal working patterns to local arrangements, specific equipment or support to enable staff to effectively carry out their role.

Staff were informed that the workplace adjustment field will be submitted to the provider in the words provided by the individual. The new provider will offer to hold one-to-one meetings with all staff, this will give both parties the opportunity to explore this field and understand the detail of individual's personal requirements.

Maternity Leave

Staff on maternity leave will be offered the opportunity to attend all briefings and one-to-one meetings with both the Council and their new employer prior to and during the mobilisation period.

If meetings are attended staff can use their keep in touch days to be paid for these sessions.

If it is not possible for a member of staff to attend due to their personal circumstances at that time their line manager will brief them in the most appropriate way, either at a more appropriate time or via telephone if necessary.

Data Gaps

The business case shows full-time equivalent (FTE) figures in the financial model; the EIA shows data described by percentage of headcount. This gives a clear view of the actual effect on each of the protected characteristics.

The above figures have been taken from the SAP HR system on employees known to be in-scope by name. The Corporate Programmes Team came into scope shortly after the first EIA was undertaken so are included in the data for the second tranche. The majority of the devolved staff, CST, are included in this EIA but Electoral Registrations have not yet transferred and, therefore, their data is excluded but will be included in the next iteration of the EIA.

The data for the first two milestones were taken from the Council's standard data set which also included casual staff. The Council has since changed their data set to remove Casual staff from their reporting, therefore a disproportionate drop in Council staff figures is shown.

Evidence

List below available data and research that will be used to determinate impact on different equality groups

The revised establishment lists from SAP provide the primary data, plus the data cleanse returns, 'local knowledge' of heads of service and one-to-one meetings between staff and the new provider.

When making any decisions affecting staff the new provider will be expected to consider the impact of the project on the following, amongst other potential factors:

- Flexible working arrangements and their impacts on parents and carers (working practises)
- Working from home (working practises)
- The impact of moving staff to different work locations (relocation)
- The impact of potential changes to holidays / term-time working (working practises)
- The impact on staff of changes to their working culture (equalities)
- The impact on staff of additional health and safety training (training and development)
- The impact on staff of a different programme of investment and development (training and development)

Any changes to terms and conditions/policies and procedures proposed by Capita will be subject to consultation post-transfer.

The table at 4.1.4 shows potential impacts and mitigation proposed by the new provider in the final tender.

4. Project Milestone Outcomes, Analysis and Actions

4.1 Summary of the outcomes at each milestone

4.1.1 Identification of services in scope - EIA Iteration 12/05/11

The EIA data was reviewed in conjunction with the business case to identify any potential equalities implications on staff.

4.1.2 End of dialogue one – EIA iteration 31/01/12

The ISOS submissions were completed and have been evaluated. At this stage there was a down selection from 4 bidders to 2. The EIA was updated and there were no equality impacts on staff at that time.

4.1.3 End of evaluation/ Recommendation of preferred bidder – EIA Iteration 02/11/12

The EIA data has been revised and the proposals in the recommended preferred bidder's final tender is shown below.

A number of the changes proposed by the new provider will be seen as positive, where the impact of these changes are perceived as a negative the impact of these and mitigation provided in the final tender have been considered in the table in 4.1.4.

4.1.4 Transfer date
The EIA will be reviewed following the transfer in order to determine the actual impact on staff in scope.

Potential Impacts and Proposed Mitigating Actions/Benefits to Staff

Listed below is a summary of the key benefits to staff

Proposed Activities	Potential Impact	Impact Type	Protected Groups Affected	Proposed Mitigating Actions/Benefits to Staff
1 Transition and Communication	Staff concern about protection of their terms & conditions and fair treatment at the point of transfer	Negative	All	<ul style="list-style-type: none"> ● Capita has stated that all transferring staff have their continuous service preserved under TUPE and that all their contracts of employment transfer, with staff retaining their key contractual transferring terms and conditions such as annual leave, grade and pay entitlements ● Capita transition team is experienced and will be on-site to coach/mentor transferring staff. On page 20 of the Transition Method Statement they say “Over 70% of our existing 46,000 staff have TUPE transferred into Capita from previous employers or through acquisition. Over 40% of those have come from Local Government... With over 20 years’ experience in the transfer of staff from many different organisations and industry sectors, they are well versed in engaging and effectively communicating with transferring staff to keep them well informed, in managing the consultation process and putting in place relevant support mechanisms.” ● Full communication and engagement plan to integrate staff into new organisation quickly and effectively including: <ul style="list-style-type: none"> ○ Inform and consult with TUs and staff ○ Working collaboratively with TUs to ensure consistency of message ○ Team manager sessions on HR processes and relevant Capita information ○ PeopleCare programme including welcome presentation, induction, staff bulletins, confidential email helpline, staff drop in sessions, one-

					<p>to-one meetings, regular Q&As</p> <ul style="list-style-type: none"> ○ Staff briefings considering various groups of staff including varying work patterns and locations <ul style="list-style-type: none"> ● Capita HR staff integration team to support staff throughout transfer period. On page 20 of the Transition Method Statement it says “We will engage and consult with staff and representatives as early as possible, treat all staff consistently and fairly and implement a communications and mobilisation plan to minimise uncertainty for staff, ensure they are fully informed, consulted with and successfully integrated into the new organisation”. On page 21 of the Transition Method Statement they say “Capita will support this process with a plan of two way communication and engagement activities for staff delivered through the PeopleCare Programme. This will be delivered by a Capita HR Staff Integration team which will remain in place throughout the transfer period and will be available to support integration to ensure consistency in our approach. The team will be formed from our Staff Support and Integration Group, the majority of whom have joined Capita by acquisition or TUPE, and have personal experience of the concerns and feelings that are common amongst staff at such a time... To ensure collaboration, joint working and transparency of messages for staff we will work with the Council’s HR Team through a bi-weekly “touchpoint” meeting or conference call to feedback on progression and/or raise any issues for concern so these can be addressed.” ● Staff satisfaction survey ● Pension auto-enrolment at appropriate staging date
2	Consultation on Proposed Measures (known changes)	Staff concern about protection of terms & conditions	Negative	All	<ul style="list-style-type: none"> ● Provide terms and conditions matrix. Page 20 of the Transition Method Statement shows “Detail provided from the TUPE lists and information gathered through the separate HR discovery meetings with the Council will be used to populate the Terms and Conditions Matrix. This will detail all existing policies, procedures, benefits, pensions and pay arrangements. This matrix will then form the basis for TUPE consultation...An initial review has been completed through Dialogue as well as a comprehensive review of information available in the Data Room and as a result we will have a good basis for populating the Matrix in advance”. ● Individual staff verification statements to confirm transferring terms and conditions ● Signed up to the Council’s TUPE Transfer Commitments including admitted body

					status for the pension	<ul style="list-style-type: none"> • Capita adopts an open and transparent approach to staff communication and consultation. Representatives of Capita HR and the Operational Transition Team will meet regularly with the Trade Unions or Staff Representatives to consult on all terms, conditions, benefits and potential measures. Where they intend to align staff with Capita policies and management practices, this will be fully consulted on through the TUPE consultation process with the rationale for and any details of changes being discussed and disclosed in the TUPE 13 measures letter. • Honour the NJC pay awards
3	Training and Development	Development in role and career progression	Positive	All	<ul style="list-style-type: none"> • Post-transfer offer of opportunities to work on innovative and new projects • Provide continuous professional development and skills enhancement • Provide staff with the right tools so they can excel in their roles • Manager Care and Leader Care programmes • Succession planning and talent management • Capita Academy • Capita vocational learning programme • Career development • Skills mapping to identify training needs • Full roll out of performance appraisal process and setting of clear objectives clearly linked to KPIs • Focus on professional accreditation and support existing professional development plans 	
4	Restructure	Possible loss of employment or detriment suffered from changes	Negative	All	<ul style="list-style-type: none"> • Possible assimilation if appropriate • Offer of opportunities to work on innovative and new projects if appropriate • Provide continuous professional development and skills enhancement • Provide staff with the right tools so they can excel in their roles • Succession planning and talent management • Career progression • Skills mapping to identify training needs 	
5	Relocation	Potential loss of employment due to distance of	Negative	All	<ul style="list-style-type: none"> • Opportunity to relocate, access wide range of Capita vacancies or work at other client locations including local government in Greater London • Anticipate that for the duration of the transition the majority of transferring staff will continue to be located in existing offices what is the transition period. "Preparation 	

							<p>for Transition will start on, or shortly after, Preferred Bidder is announced and will then continue for approximately 9 months after Service Transfer Date and last until each service enters the “Transformation” phase. For each workstream, however, the precise duration of Transition will vary.” P4 of Transition Method Statement.</p> <ul style="list-style-type: none"> • On pg 6 they have a table showing Start of staff consultation/TUPE period” will start on Jan 9 and “End of Staff TUPE Consultation Period” on 4 April assuming a transfer date of 5 April and “End of Transition” is 31 December 2013. They also say on this page that “Preparatory work for the Transformation will, in many cases, start from STD, and will run in parallel to the Transition activities.” • Full consultation, communication and engagement framework • Whilst there is no legal timeframe for TUPE transfer consultation, Capita has stated “We feel that in the context of the number of staff in scope, the level of consultation, communication and agreement to be reached with them and their union representatives on pensions and benefits, as well as the transferring terms and conditions of employment, a period of three months is both fair and practical”. P4 of Transition Method Statement • OH and Employee Assistance Programme • Each period of consultation will be planned carefully to allow for staff to consider and discuss their options of relocation, possible re-training opportunity and redeployment to an alternative employment in Capita or redundancy. • Minimise the impact of redundancy through growth into other partner organisations, redeployment throughout other Capita businesses, managing vacancies and temporary staff and natural shrinkage • Full consultation, communication and engagement framework • Full consultation period honoured and one-to-one sessions available • Joint workshop with the Council focusing on risk and mitigation for the transition period
	new location to home						
6	Redundancy	Perceived loss of employment due to redundancy of posts	Negative	All			
7	Trade Unions	Staff concern over potential loss of TU representation	Negative	All			<ul style="list-style-type: none"> • Tri-partite meetings to be held between the Council, new provider and TU’s equalities tabled as an agenda item • National Recognition Agreement with UNISON and GMB represented locally on some existing contracts • Facilities time provided as part of the Council’s TUPE Transfer Commitments

					<ul style="list-style-type: none"> On page 43 of the Transition Method Statement it says “We confirm that the rights of Trade Unions which have been formally recognised by LBB and other employing organisations for consultation and collective bargaining purposes will transfer to Capita under the TUPE regulations.” On page 44 it says “In line with the TUPE regulations, Capita will inherit the industrial relations arrangements in place at LBB and other employing organisations at the point of transfer. Capita will honour the existing consultation arrangements and collective agreements and work closely with the relevant Trade Unions to align the inherited arrangements with pre-existing national agreements that may be in place between Capita and the Trade Unions. In this way we will address the recognition and facilities arrangements for the recognised Trade Unions.”
8	Working practices	Staff concern regarding flexible working formal and informal	Negative	All	<ul style="list-style-type: none"> Enable staff to have flexibility in their working practices Support through capacity planning and management
9	Equalities	Concern about moving to a new culture	Negative	All	<ul style="list-style-type: none"> Capita values map well against LBB’s values including Capita people awards Capita PeopleCare supports staff over the transition period

5. Briefing, Sharing and Learning

This table summarises the briefing activities. This EIA forms the primary briefing tool and has been shared as detailed below.

Table 2 Milestone Description	CDG	CRC/Cabinet	GFC	PFC
Identification of services in scope	06/11	29/06/11		
End of dialogue one	06/02/12	28/02/12		
End of evaluation/recommendation of preferred bidder		06/12/12	29/01/13	
Transfer Date				18/03/13

List of Principal Legislation Conferring NSCSO Statutory Functions

Acquisition of Land Act 1981

Adoption and Children Act 2002 Section 3

Births and Deaths Registration Act 1953 Sections 1 and 15

Building Act 1984 Section 16

Building Regulations 2010 Regulation 12

Children Act 2006 Sections 1, 3 and 12

Children Act 2004 Section 18

Children Act 1989 Sections 17, 18, 31, 80, Schedule 2, Part 1, Section 1 and
Schedule 2, Part 1, Section 3

Chronically Sick and Disabled Persons Act 1970 Section 21

Control of Asbestos Regulations 2012 Part II

Control of Substances Hazardous to Health Regulations 2002

Council Tax Benefit Regulations 2006

Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000

Deregulation and Contracting Out Act 1994 Section 70

Education Act 1996 Sections 13 and 14

Freedom of Information Act 2000

Gambling Act 2005 Sections 2 and 159

Health and Social Care Act 2012 Sections 12, 18 and 32

Housing Act 1985 Sections 8, 15, 24 and 27

Housing Act 1996 Section 179

Licensing Act 2003 Sections 3 and 4

List of Principal Legislation Conferring NSCSO Statutory Functions (continued)

Housing Benefit Regulations 2006

Localism Act 2011

Local Authority Social Services Act 1970 Section 7

Local Government Act 2000 Part III

Local Government Act 1999 Section 3

Local Government Act 1972 Sections 111, 112, 142, 151, 169 and 206

Local Government and Public Involvement in Health Act 2007 Sections 116 and 221

Local Government (Contracts) Act 1997 Section 1

Local Government Finance Act 1992 Section 1

Local Government Finance Act 1988 Schedule 9

Local Government (Records) Act 1962 Sections 1 and 2

Local Government and Housing Act Sections 7 and 20

London Local Authorities Act 2007 Section 61

London Local Authorities Act 1990 Section 25

Marriage Act 1949 Part IV

Occupier's Liability Act 1957 Section 2

Penalty Charges Enforcement (London) Regulations 2012

Planning Act 2008 Section 42

Public Libraries and Museums Act 1964 Sections 7 and 20

Road Traffic Regulation Act 1984 Sections 32, 35 and 45

Public Contracts Regulations 2006

Appendix C

List of Principal Legislation Conferring NSCSO Statutory Functions (continued)

Representation of the People Act 1983 Sections 8, 9, 9A, 10 and 13

Town and Country Planning Act 1990 Sections 1, 2A, 62, 70, 106 and 226

Traffic Management Act 2004 Sections 33 and 34

Traffic Management (London Borough of Barnet) Permit Scheme Order 2009

Weights and Measures Act 1985 Section 69

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