

POLICY AND RESOURCE COMMITTEE
Monday 17 June 2019

ITEM 5 – PUBLIC QUESTIONS AND COMMENTS

Note

At the meeting a total of 30 minutes is available for public questions and comments. The questioner may ask one supplementary question at the meeting which will be answered without discussion. The supplementary question must be relevant to the original question put to the Chairman.

Public Comment - up to 3 minutes per comment

Agenda Item No	Public Comment Request
Item 7 – Review of Capita Contracts	John Dix
Item 7 – Review of Capita Contracts	Tirza Waisel
Item 7 – Review of Capita Contracts	Holly Kal-Weiss

Qn No	Agenda Item No	Raised By	Question Raised	Answer
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1.	Item 7 – Review of Capita Contracts	John Dix	<p>The report mentions the Year 6 and Year 7 reviews as the basis to review the services. However, the contracts make it clear that the purpose of the two reviews are quite different and, in particular, the Re Contract Year 7 review is specifically to consider the extension of the contract for a further 5 years, details of which are set out in the extracts below.</p> <p>Given that the purpose of the Year 7 Review is to consider contract changes as part of the five year extension of the Re contract and that a review of services is conditional on agreeing to a five year extension to the contract can you please clarify how this will enable a more holistic approach to be taken to the review, as well as further considering a broader range of delivery options, such as partnerships with other councils?</p>	<p>The proposal that the remainder of the review be conducted through the year six (CSG) and year seven (RE) contract reviews is made in order to minimise any duplication of information gathering and effort in respect of the review process. The report recommends that the terms of reference for the reviews be reported to the Financial Performance and Contracts Committee. Whilst these terms of reference will take into account the contractual references set out below, they will also reflect the aims of this strategic contract review process and incorporate consideration of a broader range of delivery options, such as partnerships with other councils, as suggested in the public and best value consultation, thereby resulting in a robust and coherent commissioning strategy for the future delivery of these services.</p>
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CSG Contract		Re Contract	
10.4	Year 6 Review	6	Continuous Improvement and 7 Year Review
10.4.1	Within forty (40) Business Days of the 6th anniversary of the Service Transfer Date, the Authority may conduct a review to identify any improvements or savings the Authority may reasonably wish to implement in respect of the Services following such review (Year 6 Review) and the Service Provider shall cooperate with such review and clauses 10.4.2 - 10.4.8 shall apply.	6.1	Year 7 Review
10.4.2	If the Authority requires a Year 6 Change it will notify the Service Provider in writing, setting out the improvements to the Services or alteration to Periodic Service Payment sought.	6.1.1	Within twenty (20) Business Days of the 7th anniversary of the Service Transfer Date, the Authority and the Service Provider shall meet to discuss whether each party may wish to proceed with a 5 year extension to the Service Period.
10.4.3	The Service Provider shall provide the Authority within fifteen (15) Business Days of receipt of a notice from the Authority an outline proposal setting out the Authority's options in order to achieve the alterations to the sums payable to the Service Provider and the estimated costs for each option (the Year 6 Options Proposal).	6.1.2	If both Parties agree that they may wish to proceed with a 5 year extension to the Service Period, the Authority may conduct a review to identify any improvements or savings the Authority may reasonably wish to implement in respect of the Services following such review (7 Year Review) and the Service Provider shall cooperate with such review and clauses 6.1.4 to 6.1.12 shall apply.

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2.	Item 7 – Review of Capita Contracts	Barbara Jacobson	Why is there no mention anywhere in paragraph 1 that the Members of the Committee had clearly instructed the officers to present a complete business case on all three options for all the services, and why is there no mention that the officers decided not to do so?	Paragraph 1 of this report refers back to the report that the Committee considered in December 2018, which set out the work that had been undertaken to prepare a business case covering all three options and, for the reasons set out in that report, made 10 recommendations in respect of a revised approach to the review. Members of the Committee debated the report at length before accepting those recommendations, which have been implemented. Those 10 recommendations did not include an instruction to officers to present a complete business case on all three options, an issue that was debated in full at the meeting.
3.	Item 7 – Review of Capita Contracts	Barbara Jacobson	Paragraph 1.13b says ‘There is criticism of the phased approach. In general, there was a view that all services should be brought in-house’, paragraph 1.16 says ‘Responses have informed the remainder of this report’, and this paragraph says the CEO and the Chair of the P&R Committee ‘duly considered the responses from the consultation’. What kind of ‘consideration’ was given to the results of the consultation, since the decision to continue the phased approach is in opposition to them?	Paragraph 1.13b goes on to say that “there was recognition that this would present significant practical challenges”. The reference in paragraph 1.17 to “the Chief Executive, in consultation with the Chairman of the Policy and Resources Committee, duly considered the responses from the consultation...” relates specifically to the final decision on returning the Finance and Strategic HR services to the council on 1 st April 2019. In respect of that decision, having duly considered the responses, it was concluded that there was no reason not to proceed with the return of these services. Having taken into account the views in respect of phasing, including those that recognised the practical challenges of considering all services together, and considered the feasibility of completing the review in a single, final phase, it was concluded that the most appropriate approach to addressing the specific concerns raised in respect of the phased approach (primarily the interdependencies between services., e.g. Revenues & Benefits and IT) would be to group the services by contract. It will be for Members of the Committee to decide if they agree with this conclusion and the associated recommendation.
4.	Item 7 – Review of Capita Contracts	Barbara Jacobson	1.26 On what date did the last Director of Highways depart, and on what date(s) has the position been advertised	The previous Service Director, Highways, resigned with effect from 14 th May 2018. Upon receipt of the resignation, recruitment agencies were instructed to advertise for a replacement. The process has, therefore, been going on for a little over a year. In the interim, additional support has been provided from the wider Capita Group and an Interim Business Manager has been in place since February 2019. The newly appointed Service Director is to start on 18 th June 2019.

5.	Item 7 – Review of Capita Contracts	Barbara Jacobson	1.26 Where is the financial detail to substantiate this conclusion, and when was it presented to the members of this committee	The financial information is set out in Appendix C to the report, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, as it contains Information relating to the financial or business affairs of any particular person [including the authority holding that information]), including information that is defined as commercially sensitive material under Schedule 23 of the CSG contract and Schedule 21 of the DRS contract. Appendix C was distributed to Members of the Committee at the same time as the report itself and other appendices.
6.	Item 7 – Review of Capita Contracts	Barbara Jacobson	1.29 Given that the Pensions Administration ‘service is not currently in an acceptable position’, that the Pensions Regulator ‘has issued the council with a notice ... [of a] range of improvements that are required, and that ‘Capita colleagues’ could be TUPEd over to the council, why isn’t the service being brought back in-house immediately?	Considerable work has been, and continues to be, undertaken by both council officers and Capita to address the shortcomings in the pensions administration service. This includes: reducing the number of pensions data errors; validating the March 2019 data received from employers to ensure deadlines can be met for the triennial valuation (July 2019); and ensuring that pension scheme members get accurate Annual Benefit Statements by the deadline (August 2019). These deadlines, in particular, are crucial and council officers will work with Capita to ensure they are met. In parallel, officers will be putting a plan in place to assess other options for service provision that can be implemented, if Capita are unable to demonstrate a substantial improvement in service quality in the next few months.

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7.	Item 7 – Review of Capita Contracts	Barbara Jacobson	1.29 How many days, weeks or months constitute the ‘reasonable timeframe’ and what are ‘alternative arrangements for the future provision of the service’ if something other than returning the service in-house?	As set out in the response to question 6, there are a number of critical deadlines that need to be met by September 2019. These activities form a crucial part of the improvement plan and success against this will be a factor in determining whether the alternative plans that are being worked on will be triggered. Alternative arrangements could include procuring an alternative service provider, either from the public or the private sector, or entering into a shared service arrangement with another council.

8.	Item 7 – Review of Capita Contracts	Barbara Jacobson	How do you justify the statements in paragraph 1.30 and 1.31 that ‘immediate, principal focus should be on service improvement’ and ‘there is little support for a phased approach to reviewing’ with the conclusion to delay reviewing the rest of the services, especially as this was what you were tasked with doing originally?	The conclusions and recommendations set out in this report are entirely consistent with the resolution made by this Committee in December that the review should be completed “as rapidly as possible”. If the Committee agrees the recommendations put before it, work on returning the SEED and SHaW services will take place over the summer, along with the work that is required to develop contingency plans and maintain progress on Pensions Administration and put in place additional performance management mechanisms for the Highways service. It should also be noted that work continues on making the necessary improvements to the Finance and Strategic HR services that were returned to the council on 1 st April 2019. Commencing the final phases of the review in the autumn will enable officers to deliver all of these priorities, whilst planning a comprehensive and holistic programme for the completion of the review.
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