



Council
25 January 2022

Title	Referral from Policy & Resources Committee – Recommendation from Financial Performance and Contracts Committee – Review of Capita Contracts
Report of	Chairman of the Policy & Resources Committee
Wards	All
Status	Public (except Appendix 1C, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, because it contains information relating to the financial and business affairs of Capita and the Council)
Enclosures	<p>Annex 1 – Report to Policy and Resources Committee, 9 December 2021, Recommendation from Financial Performance and Contracts Committee – Review of Capita Contracts.</p> <p>Annex 2 – Report to Financial Performance and Contracts Committee, 23 November 2021, Review of Capita Contracts</p> <p>Appendix 2A – Evaluation Criteria</p> <p>Appendix 2B – Performance Packs</p> <p>Appendix 2C (exempt) – Financial Assessment</p> <p>Annex 3 – Report to Financial Performance and Contracts Committee, 23 November 2021, Review of Capita Contracts</p> <p>Public Engagement</p> <p>Appendix 3A – ORS Report</p>
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Summary

At Policy & Resources Committee on the 9 December, the Committee considered a report on the Recommendation from Financial Performance and Contracts Committee – Review of Capita Contracts. Following consideration of the report, the Committee resolved to refer the report to Full Council.

Officers Recommendations

1. **That Council:**
 - a) **does not seek to extend those elements of the RE and CSG contracts that relate to the Procurement service, Regulatory Services (Trading Standards, Licensing, Environmental Health), the regeneration service and highways;**
 - b) **upon expiry of those elements of the contract, these services be returned to the Council;**
 - c) **the future strategy for the Highways service should be the subject of a separate report to the Environment Committee;**
 - d) **the Recruitment service be returned to the Council in February 2022; and**
 - e) **the Chief Executive be authorised to take the necessary action relating to any transfers, upon expiry of the contracts or sooner if deemed necessary, or actions associated with the services, subject to the conclusion of the necessary due diligence.**
2. **That Council notes the direction of travel for each service that was agreed previously as set out in section 1.8 of the report (Annex 2) including the services listed for further review, with short extension: Accounts Payable/Integra, HR/Core HR*, Estates* (*with some element of the service potentially returning to the Council upon expiry of the contract) and Cemetery and Crematorium**
3. **That Council notes the content of the Review of Capita Contracts Public Engagement report (Annex 3) and ORS Report (Appendix 3A).**
4. **That Council notes that the Policy and Resources Committee will consider any extension requirements that are required in respect of the Review of Integra and Core HR systems and supports that Review.**

1. WHY THIS REPORT IS NEEDED

- 1.1 At its meeting on the 9 December 2021, the Policy & Resources Committee agreed that the Recommendation from Financial Performance and Contracts Committee – Review of Capita Contracts should be referred to Full Council.

2. REASONS FOR RECOMMENDATIONS

- 2.1 As set out in the report attached at Annex 1.
- 2.2 In addition, since the Policy and Resources Committee meeting took place, it has been identified that there may be a need to confirm the extension of some elements of the service outside of the broader Review process. This has arisen through the review of the council's core systems strategy, where there may be a need to confirm extension of the contracts as they relate to the provision of the Core HR and Integra systems for one year, to allow the necessary time for the procurement of replacement systems. A report on the Review of Integra and Core HR will be considered by the Policy and Resources Committee on 9th February 2022.
- 2.3 Furthermore, it should be noted that the intention is that, where the return of services is recommended in this report, this will be upon expiry of the contracts in 2023. However, it is considered that circumstances may arise where it would be appropriate to return some elements of these services ahead of the expiry date, to aid the overall transition process. This would need to be carried out with the agreement of Capita and would only be carried out where the benefits of early return clearly outweigh the disruption and resource implications of amending the current contract.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 As set out in the report at Annex 1.

4. POST DECISION IMPLEMENTATION

- 4.1 As set out in the report attached at Annex 1.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 As set out in the report attached at Annex 1.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 As set out in the report attached at Annex 1

5.3 Social Value

- 5.3.1 As set out in the report attached at Annex 1

5.4 Legal and Constitutional References

- 5.4.1 As set out in the report attached at Annex 1

- 5.4.2 Article 4 of the Council's Constitution sets out the role and function of Full Council which includes the following responsibilities:

- Make decisions on matters normally reserved to committees (except for planning and licensing matters) where an urgent decision is required or where the matter is so significant that it requires all Members to determine. Determination of whether a matter is urgent or significant will be made by Mayor and Chairman of relevant committee in consultation with Leader and relevant chief officer.

5.5 Risk Management

5.5.1 As set out in the report attached at Annex 1.

5.6 Equalities and Diversity

5.6.1 As set out in the report attached at Annex 1.

5.7 Corporate Parenting

5.7.1 As set out in the report attached at Annex 1.

5.8 Consultation and Engagement

5.8.1 As set out in the report attached at Annex 1.

5.9 Insight

5.9.1 As set out in the report attached at Annex 1.

6. BACKGROUND PAPERS

6.1 N/A