

## RECORD OF EXECUTIVE DECISION

Wednesday, 20 November 2013

Decision No: (CAB 13/14 11562)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	LEADER OF THE COUNCIL
SUBJECT:	STRATEGIC SERVICES PARTNERSHIP (SSP) CONTRACT - PROPOSED CONTRACT EXTENSION
AUTHOR:	Mark Heath

### THE DECISION

- (i) Notes that on 20 November 2013 Full Council approved the extension of the SSP contract with Capita Business Services Limited by five years with a new expiry date of 30 September 2022 (extended from 30 September 2017), subject to the changes to the contract described in this report being made simultaneously.
- (ii) Implements as a consequence of the Full Council's Policy Framework decision, the extension of the SSP contract by five years, as recommended by Full Council.
- (iii) Approves the proposal to bring sub-£100,000 spend within the Procurement Services delivered under the SSP Contract.
- (iv) Delegates authority to the Director of Corporate Services, together with the Chief Financial Officer and the Head of Legal, HR and Democratic Services to agree the detailed terms and conditions in connection with the above recommendations.
- (v) Authorises the Head of Legal and Democratic Services to enter into the necessary legal documentation.
- (vi) Notes and endorses the governance arrangements set out in Appendix 2 (in so far as they are matters for the Executive).
- (vii) Notes that the changes made during final negotiations as set out in Appendix 1, have taken into account the recommendations of Overview and Scrutiny Management Committee which met on 16 October 2013.
- (viii) Authorises the Director of Corporate Services, together with the Chief Financial Officer and the Head of Legal and Democratic Services to take any further action necessary to give effect to the decisions of the Executive in relation to this matter.

## **REASONS FOR THE DECISION**

There are a number of reasons for the recommendations and these are set out below. Namely to :

- Make a contribution towards the financial savings the Council has to find.
- Improve flexibility in the charging mechanisms under the SSP contract, so that the charges under the SSP contract can more closely reflect the changing size of the Council's operation in the future.
- Modernise service delivery under the SSP contract, particularly in relation to Customer Services and IT Services.
- Postpone the cost of re-procuring, or bringing back in house, the services.

## **DETAILS OF ANY ALTERNATIVE OPTIONS**

1. The prevailing pressures on the Council's budget mean that it cannot afford the SSP contract in its current form. Also, the contract does not contain sufficient flexibility to enable the Council to deal with changing demand for many of the services delivered under the SSP in the future in a way which is appropriate to the less predictable environment we now find ourselves in.
2. There are a number of alternative options which could have been pursued to address these issues and these are set out in turn in the following paragraphs.
3. Firstly, do nothing and allow the contract to expire naturally at the end of September 2017. This option was not pursued, as it would do nothing to help meet the Council's current financial challenges, improve flexibility or modernise service delivery.
4. Secondly, terminate the contract and bring the services back in house. This option was not pursued, as it was deemed unaffordable (as set out in Appendix 1). In addition, this option would increase the Council's exposure to equal pay issues and require the Council to rebuild a management structure and recruit staff, depending on the mix of human resources transferring back to the Council under TUPE.
5. Finally, terminate the contract and re-procure the relevant services. This would involve many of the costs associated with bringing the services back in house and would also require budgetary provision to be made for the cost of the procurement process. It would also probably be a more difficult process to manage than bringing the services back in house, there would be a substantial lead time and there is no guarantee that the services could be re-procured at lower cost. Consequently, this option has not been pursued.

## **OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None.

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 20<sup>th</sup> November 2013

Decision Maker: The Cabinet

Proper Officer: Natalie Noke

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*