

Meeting: Overview, Scrutiny & Policy Development Committee

Date: Monday 9 November 2020

Title: Technical Services Partnership – Capita Quarterly Update

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Service: Environment, Housing and Leisure

Wards affected: All

1. Purpose of Report

As part of its work programme for 2017/18, Overview, Scrutiny and Policy Development Committee ('the Committee') undertook a review of the Authority's long term strategic technical services partnership ('the Partnership') with Capita Property & Infrastructure Limited ('Capita').

A programme of scrutiny for the municipal year was agreed at the Committee meeting on 18th July 2019. The years reporting concluded with the report to the last meeting of this Committee which reported on partnership performance for Q4 (January – March 2020) against the agreed Annual Service Plan for 2019/20, and the outturn of 2019/20. That report also set out the Annual Service Plan for 2020/21 which forms the basis of the current reporting year.

This report presents the first update for the current year 2020/21 and provides the Committee with performance reporting for the first two quarters April 2020 – September 2020.

This report also details the proposed approach to contractual benchmarking of the Partnership.

2. Recommendations

The Committee is recommended to:

- a) Note the contents of this report;
- b) Consider the 2020 Q1 and Q2 performance presented in **Appendix 1**; and
- c) Consider the Approach to benchmarking presented also in Appendix 1; and
- d) Note that the next review of the Partnership by this Committee will be in respect of Q3 (October 2020 - December 2020) performance

3. Details

3.1 Background

The Authority has a long-term strategic partnership with Capita to deliver a range of technical services. This followed a procurement exercise which led to the contract being awarded to Capita that commenced on 1 November 2012.

In January 2019 Cabinet provided its response to the recommendations of the Study Group, which reviewed the operation of the Partnership and agreed to a programme of continual engagement on the operation of the partnership with this Committee.

That programme ran for a full year 2019/20 and now reports on the current year 2020/21. It consists of the following:

a) Annual Service Plan

- i. **the agreed Annual Service Plan will be reported to the Committee at the start of each financial year:** The Annual Service Plan 2020/21 was reported to the previous meeting of this committee in August 2020
- ii. **Monitoring reports against the Annual Service Plan will be made available each quarter:** this has taken place throughout the previous year and this report provides the Committee with an update on Q1 and Q2 performance (April – September 2020)
- iii. **The annual review of the Partnership will be reported to Committee at the next available meeting:** The annual review of 2019/20 performance outcomes for 2019/20 were reported to the last meeting of this committee

b) Benchmarking

- i. **Scrutiny Members will be presented with the outcome of the Year 5 benchmarking exercise once finalised:** this took place at the meeting of Committee on 18th July 2019 and is now closed
- ii. **Arrangements will be made for Scrutiny Members to have oversight prior to the commencement of the Year 8 benchmarking exercise during 2020/21.** Approach to Benchmarking is included in this report

3.1 Q1 and Q2 2020/21 Performance update

The Authority monitor performance of the Partnership on a monthly basis. Capita are required to meet a series of important performance milestones for each service they deliver on its behalf and these are known as Key Performance Indicators ('KPI's). The KPI's are divided into Category 1 and Category 2 KPI's and each have an explicit target.

Performance scorecards are reported for each of the following service areas:

- Property Services
- Engineering Services
- Regulatory Services

The process of review is via subgroups for each service area, which then report into Operational Partnership Board on a monthly basis and Strategic Partnership Board on a quarterly basis. In addition to the KPI's, for each of the above service areas there are several action plans that are also monitored and additionally the investment commitments such as jobs and support to the Authority's priorities are also reviewed. Some examples of this have been included in the presentation.

The information attached as **Appendix 1** will be presented to Committee to explain the outcome of Q1 and Q2 performance.

3.2 Approach to Benchmarking

- 3.2.1 Schedule 9 of our contract, as amended by the Deed of Variation, commits the parties to a Benchmarking exercise at Years 5, 8 and 12. Specifically, the Schedule describes the purpose of the Benchmark Review as follows:
- a) Assess the quality and effectiveness of the Services; and
 - b) Ensure that that the level of service continuously improves or is maintained, as appropriate, and as verified via external inspection / review; and
 - c) Demonstrates good value by contributing to and informing the Authority's Best Value performance plan and support the Authority in satisfying its duty of Best Value.
- 3.2.2 Having considered the Schedule and the work done to reach the Deed of Variation, both teams feel this exercise could be carried out in a way that also adds greater value to the partnership. A proposal agreed by both teams has been established which, suggests a way to carry out that exercise in a manner which is in line with the contract and addresses the remaining term of the contract.
- 3.2.3 The way the services are delivered differs to when the contract was established. 3 rather than 4 workstreams exist. SPB agreed at its meeting of 7 July not to defer the benchmarking exercise considering the Covid crisis, however recognised this may bring challenges to the process. Both teams have discussed how this exercise will be undertaken in line with the contractual commitments and without compromising on the element of external validation
- 3.2.4 SPB considered and approved the following approach on 19th October
- a) **Regulatory Services**; data is well established in the market. A desktop exercise will be undertaken to review performance within the team using national data from published indicators. This will form the basis of the assessment, looking at quartile positions on cost and performance against similar Councils. A review will also be undertaken to understand the cost implications of any proposed service improvement. An external company GoBeyond or an equivalent is being engaged by Capita to provide external validation.
 - b) **Engineering**; at the last benchmarking review cost, time and quality were the focus of the review, the deed of variation has embedded key KPIs in this regard and this is working well. This area will focus on value for money as evidenced on non-core commissions. Data will be collected from frameworks in the market for like for like services to ensure that the rates paid and the profit and overhead are appropriate and proportionate.
 - c) **Property**; a targeted service review will be undertaken to ensure that the services delivered are fit for purpose, this will review both transactional property and the wider strategic benefits the property team bring to the Authority. Best practice in similar local authorities will be reviewed. The scope

of services will be reviewed following the transfer earlier in the year of the Asset Management Team. CIPFA are being engaged by Capita to support this process and provide external validation.

3.2.5 The full obligation required by Schedule 9 will be discharged and reported back to SPB and then to this committee

4 Appendices

Appendix 1 – Presentation – Technical Services Q1 and Q2 performance

5 Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the authors.

[Cabinet Response to Scrutiny Recommendations, 21 January 2019](#)

[Capita Study Group Report, October 2018](#)