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**REPORT TO THE MEETING OF THE EXECUTIVE 11 JULY 2018**

**PORTFOLIO: FINANCE**

**REPORT FROM ASSISTANT DIRECTOR – COMMERCIAL SERVICES**

**SUBJECT: CONTRACT MONITORING 2017/18**

**1 DECISION BEING RECOMMENDED**

- 1.1 That the contents of the report to be noted.

**2 REASONS FOR RECOMMENDATION**

- 2.1 To report the process and outcomes of contract monitoring for the Council's most significant contracts in terms of contract value and risk. The requirement for this report is set out in Section 22 of the Council's Contract Procedure Rules and follows recommendations from External Audit.

**3 SALIENT INFORMATION**

- 3.1 The need to monitor, evaluate, and review contracts is highlighted within section 5 of the Council's Contract Procedure Rules. Contract managers are responsible for ensuring that a pro-active approach to contract monitoring is undertaken.
- 3.2 As part of the audit of the 2017/18 accounts the Council's current external auditors, Ernst and Young, have asked for further assurance around the Council's business continuity arrangements in the event of a supplier failure (in light of the recent experience of Carillion) to ensure the Council can demonstrate financial resilience.
- 3.3 The Council's Contract Procedure Rules set out the process for managing contracts and are part of the strategy to ensure that the Council achieves Best Value in the way it spends money.
- 3.4 The management and monitoring of Contracts, which is referred to in the Contract Procedure Rules and Procurement Strategy, are two different processes. The differences are detailed below:-
- Contract management is the day to day management of the contract, including negotiation, variations, ensuring compliance with the specification and terms and conditions, and processing orders to enable invoices to be paid on time.
  - Contract monitoring is reviewing the contract supplier's performance against Key Performance Indicators (KPIs) and agreeing steps to improve performance where necessary.

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- 3.5 The following training has been delivered as part of the strategy to ensure the procedure rules are is adhered to:
- Contract Procedure Rules: To understand the need to meet public sector rules for procurement.
  - Financial Regulations: To understand the need for strict budgetary control over the Council's funds.
  - Contract Monitoring: To understand that the Council requires best value from its contracts and how to achieve this.
- 3.6 Initial contract monitoring training has been completed, with further refresher sessions planned for later this year to highlight the principles of contract management and sound contract monitoring. At this training, officers will receive a procurement toolkit which will assist them with the full process of monitoring their contracts.
- 3.7 The Council's contracts should be monitored by the Contract Managers through good communication and attending regular meetings with the contractors. At these meetings contract performance against the Key Performance Indicator's should be discussed and recorded, along with core items including, safeguarding, health and safety and opportunities for efficiencies.
- 3.8 In order to confirm that the Council is getting the best value from its contracts, formal reporting of the outcomes of contract monitoring for a number of key contracts will be provided to Council Members on an annual basis.
- 3.9 For the financial year 2016/17 the contract monitoring report consisted of the top six contracts based solely on their value. For this year's report, and going forward, the reports will include both high value contracts and any contracts that are deemed high risk as stated in Section 22 of the Council's Contract Procedure Rules.
- 3.10 The high risk contracts were determined by the Contract Monitoring Officers using a risk scoring matrix created by the Performance and Risk Team, which allowed officers to demonstrate how this decision was reached. This exercise will be carried out for any new or forthcoming contracts to ensure that all the necessary contracts are captured.
- 3.11 This report has been compiled to outline the process and outcomes of Contract Monitoring for the following Contracts for the period April 2017 – March 2018.
- ICT;
  - Street Cleansing Services;
  - Waste Management Services;

- Leisure Management;
- Grounds Maintenance;
- Materials Recycling Facility;
- The Uniform System;
- The Finance and Procurement System;
- The Revenues and Benefits System;
- The A127 Air Quality Management Plan; and
- Responsive Building Work Maintenance;
- Temporary Accommodation.

3.12 The reports for each of these contracts can be found at Appendix A. The contracts were selected based on their high value or risk.

3.13 The Contract reports provide information on the length and annual value of each contract, commentary on the actions taken to monitor the Contracts and Key Performance Indicators.

3.14 Key Performance Indicators should be regularly monitored and reviewed by the Contract Monitoring Officers to ensure they are still appropriate and challenging, the addition of new Indicators should also be considered following changes in service delivery as appropriate.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

4.1 Contract monitoring is a crucial process to ensure contracts are performing as per the specification; as such there is no alternative.

#### **5 RISK IMPLICATIONS**

5.1 Failure to effectively monitor contracts leaves the Council vulnerable to receiving sub optimal services and associated risk.

#### **6 CRIME AND DISORDER IMPLICATIONS**

6.1 None

#### **7 ENVIRONMENTAL IMPLICATIONS**

7.1 None

**8 RESOURCE IMPLICATIONS**

- 8.1 Good contract management is about more than ensuring suppliers meet their contractual obligations. It can help to identify and manage suppliers' risks, and achieve savings and continuous improvement throughout the life of the contract. As well as direct savings, effective contract management can achieve other financial benefits, including cashable and non-cashable efficiencies, avoidance of unnecessary costs, enforcement of penalty clauses and the sharing of additional income from growth. However, there are risks as well as opportunities and, if these are not managed effectively, they can contribute to supplier insolvency, service failure, or fraud; all of which could result in reputational and financial damage to the Council.
- 8.2 Managing contracts well requires specialist skills, including understanding costs and value, negotiating, and procurement and commissioning processes. Initial contract monitoring training has already been completed to highlight the principles of contract management and sound contract monitoring, which includes a procurement toolkit to assist officers with the full process of monitoring their contracts.

**9 LEGAL IMPLICATIONS**

- 9.1 None arising out of this report. However, any breach of contract will be dealt with under the terms of each individual contract.

**10 PARISH IMPLICATIONS**

- 10.1 None

**11 EQUALITY AND DIVERSITY IMPLICATIONS**

- 11.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.



LT Lead Officer Signature: \_\_\_\_\_

**Assistant Director – Commercial Services**

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**Background Papers:-**

None.

For further information please contact Lauren Quigley (Procurement Officer) on:-

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If you would like this report in large print, Braille or another language please contact 01702 318111.

## APPENDIX A

**ICT****Responsible Officer:** Dawn Tribe - Transformation**Contract Monitoring Officer:** Dawn Tribe

Contractor: Eduserv

**Annual Contract Value:****Length of Contract:** 2 Years**Contract Expiry Date:** 31/07/2020**Responsible Officer's comments:**

In September 2017 the District Council's server estate transferred from Capita's data centre to Eduserv's.

The Council also has its own service desk which is responsible for business as usual functionality and escalating calls to Eduserv or third party application providers using a triage system.

The IT cloud migration project is due for completion in September 2018 when the Council will move to an Eduserv cloud based service delivery model.

Conference calls with Rochford and Eduserv take place on a weekly basis and there is a detailed weekly report and project plan which is updated and discussed on the calls.

Eduserv produce a monthly performance report for 'Business as Usual' service desk calls which are not project related incidences this also includes server related Performance Indicator's

\*Figures below are for a 6 month period starting from December 2017

		<b>Completed Within Target</b>	<b>out of Target</b>
I Incidents reported to Eduserv	67	66	1
Service Requests reported to Eduserv	33	30	3

Business Continuity

Officer comments:

The risk of server failure is greatly reduced when application software is migrated to the Microsoft Cloud due to the cloud capacity being significant we will be able to switch to a new server without additional costs or time delay.

Should Eduserv cease to trade moving out of their data centre means there are a number of other service providers who can offer an Azure Cloud Managed Service.

**Street Cleansing Services**

**Responsible Officer:** Marcus Hotten – Assistant Director, Environmental Services

**Contract Monitoring Officer:** Lesley Athey – Principal Street Scene Officer

**Contractor:** Suez Ltd

**Annual Contract Value:** £680,000

**Length of Contract:** 7 years + 7 years

**Contract Expiry Date:** 31<sup>st</sup> March 2022

**Responsible Officer's comments:**

The monitoring of the Street Cleansing Contract is undertaken by the Senior Street Scene Officer. This is done through day to day to liaison with SUEZ Environmental (with monitoring staff being based at the SUEZ depot) and through weekly operational and monthly performance meetings, held to discuss the delivery of the contract.

Weekly meetings with the Contractor are attended by the Senior Street Scene Officer, with monthly performance meetings having additional attendance from the Principal Street Scene Officer. The Contractor is represented by their Operational Manager and the Street Cleansing Supervisor.

Quarterly meetings of the Partnership Board are attended by the above, as well as the Rochford District Council Assistant Director for Environmental Services, Portfolio Holder for Environment and Contractor's Area Manager.

Agendas cover monthly reports from the Contractor (performance, finances, health and safety, innovation and planned further savings maintenance) reviews of current operational issues and other items as identified.

There is a significant variation of the contract that forms a seven year extension to the existing contract. The variation is an alteration of the street cleansing regime, and for Rochford to supply the vehicles required for the contract.

These variations have been captured in the Deed of Variation of the contract. There has been a number of savings made, associated with the Deed of Variation to the value of approximately £110,000 per year.

The contract price is set annually and is used to inform the budget required for the contract. The Purchase Order reflects the value of the contract.



Any other comments -

The current KPIs are under review, as the evolution of the contract under the Deed of Variation means that the original KPIS do not sufficiently capture the required performance of the contract.

Key Performance Indicator	April RAG	March 2018	Year End Target	Year End Result
<b>Street Scene Contract</b>				
<b>% Of Streets Mechanically Swept as per schedule</b>	<b>G</b>	<b>100%</b>	<b>99%</b>	<b>n/a</b>
<b>Average time till Mechanical Swept task closed</b>	<b>G</b>	<b>0.92day</b>	<b>1 day</b>	<b>n/a</b>
<b>Turnaround time on response and clear up of fly-tipping</b>	<b>G</b>	<b>0.96</b>	<b>1 working day</b>	<b>0.81</b>
<b>% of Streets Mechanically Swept as per inspection on Monthly Rota</b>	<b>R</b>	<b>69.1%</b>	<b>99%</b>	<b>n/a</b>
	<b>G</b>			

New trial KPI: '*% of Streets Mechanically Swept as per inspection on Monthly Rota*' – indicates considerable issues with quality of work undertaken and the existing reporting system. The existing reporting system only monitors tasks that are capture on the system; these tasks do not reflect all the aspects of the contract.

Further contract negotiations are currently underway to redefine the contract to incorporate an outcome based performance system. This is far simpler monitor, i.e. it is based on the outcomes. The present contract is based upon a prescriptive specification. This involves monitoring staff and the contractor having to evidence that each specific task has been undertaken.

#### Business Continuity

This is assessed and captured in the Service Business Continuity Plan (Reviewed 20/12/17), and the SUEZ Business Continuity Plan (11/1//18) submitted as per contract agreement.

### **Waste Management Services**

**Responsible Officer:** Marcus Hotten – Assistant Director, Environmental Services

**Contract Monitoring Officer:** Lesley Athey – Principal Street Scene Officer

Contractor: Suez Ltd

**Annual Contract Value:** £1,900,000

**Length of Contract:** 7 Years + 7 Years

**Contract Expiry Date:** 31<sup>st</sup> March 2022

**Responsible Officer's comments:**

The Contract essentially of collecting approximately 60,000 bins per week and disposing of the refuse/recyclates or compostables as directed,

The monitoring of the Waste Management Contract is undertaken by the Principal Street Scene Officer. This is done through day to day liaison with SUEZ Environmental (with monitoring staff being based at the SUEZ depot) and through weekly operational and monthly performance meetings, held to discuss the delivery of the contract.

Weekly meetings with the Contractor are attended by the Senior Street Scene Officer, with monthly performance meetings having additional attendance from the Principal Street Scene Officer. The Contractor is represented by their Operational Manager and the Street Cleansing Supervisor.

Quarterly meetings of the Partnership Board are attended by the above, as well as the Rochford District Council Assistant Director for Environmental Services, Portfolio Holder for Environment and Contractor's Area Manager

Agendas cover monthly reports from the Contractor (performance, finances, health and safety, innovation and planned further savings maintenance,) reviews of each of the trends in customer requests and other items as identified.

There is a significant variation of the contract that forms a seven year extension to the existing contract. The variation is mainly based around the Council supplying the vehicles required for the contract.

These variations have been captured in the Deed of Variation of the contract. There has been a number of savings made, associated with the deed of variation to the value of approximately £200,000 per year.

The contract price is set annually and is used to inform the budget required for the contract. The Purchase Order reflects the value of the contract

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Actual Missed Bins	G	200	164	n/a
Missed Bins out of SLA	G	50	29	n/a
Poor Bin Returns	G	100	15	n/a

New KPIs are being generated for each collection round and aggregated; this allows issues to be attributed to individual rounds, and therefore the ability to identify trends in service failure to specific crews and the ability to address behaviours.

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#### Business Continuity

Officer comments:

This is assessed and captured in the Service Business Continuity Plan (Reviewed 20/12/17), and the SUEZ Business Continuity Plan (11/1/18) submitted as per contract agreement.

### **Leisure Management**

**Responsible Officer:** Matt Harwood-White – Assistant Director,  
Commercial Services

**Contract Monitoring Officer:** Mark Aldous – Leisure & Wellbeing Officer

**Contractor:** Fusion Lifestyle

**Annual Contract Value:** £156,470.24

**Length of Contract:** 20 Years

**Contract Expiry Date:** 31<sup>st</sup> March 2022

**Responsible Officer's comments:**

The monitoring of the Leisure Contract is undertaken by the Leisure & Wellbeing Officer. This is done through day to day to liaison with Fusion Lifestyle (Contractor), monthly and additional ad hoc site visits and 6-monthly site visits with a member of the Asset Management team.

Monthly meetings with the Contractor are attended by the Leisure & Wellbeing Officer as well as the Assistant Director for Commercial Services as required. The Contractor is represented by their Contract Manager, Business Development Manager and Divisional Business Manager.

Quarterly meetings are attended by the above as well as the Rochford District Council Managing Director and Contractor's Director of Business Development as required.

Agendas cover monthly reports from the Contractor (performance, participation, finances, health and safety, customer satisfaction, planned maintenance, sports development), reviews of each of the leisure sites and other items as identified.

Minutes are taken by the Contractor's Business Development Manager and circulated for comment and amendments before being agreed at the following meeting.

There have been a number of variations to the contract and the Contractor and the Council have worked in partnership to deliver contract efficiencies.

All contract variations are confirmed in writing, signed by both parties and a copy held on file by both Leisure & Cultural Services and Legal Services.

As detailed in the leisure contract in the event that the Council is not satisfied with the level of service being provided by the Contractor and consider there to be a total or partial default of the service a warning notice can be issued.

Should a satisfactory reply not be received from, and appropriate action taken by, the Contractor further to receipt of the warning notice deductions can be made to the unitary charge for total or partial default of the service.

### Key Performance Indicators 2017-18

Key Performance Indicator	Year End RAG	Year End Target	Year End Result
<b>Leisure Contract</b>			
LPI001 Clements Hall Sports Centre visits	G	568,794	552,407
LPI002 Rayleigh Leisure Centre visits	A	119,217	110,368
LPI004 Freight House visitors - Percentage Occupancy	A	28%	24%
LPI005 Mill Arts and Events Centre visitors - Percentage Occupancy	A	54%	52%
LPI816 Health and Safety Audit	G	97%	98%
LPI817 Customer Satisfaction	G	90%	90%
LPI818 Accidents per 10,000 visits	G	<3	3
LPI819 Planned Maintenance completed on schedule	A	100%	95%

KPIs are reported on by the Contractor on a monthly basis.

Factors behind the participation figures at Clements Hall Leisure Centre and Rayleigh Leisure Centre not hitting set targets include the national leisure market currently being very competitive, in particular with the emergence of budget gyms. The targets, which are reviewed and set on an annual basis, are also challenging.

The Council works closely with the Contractor on sports development initiatives to increase participation in various target groups such as older people and women utilising funding from the Active Rochford Network. The GP Referral scheme is a priority area moving forward. The Contractor is looking to further utilise both The Mill and Freight House for activities and classes in the coming year.

Accidents per 10,000 visits. Although showing at the top end of the maximum figure the way visits are calculated at Freight House and The Mill means any accidents at these two venues distort the overall percentage.

The planned maintenance KPI shows the % that was carried out on schedule. For 8 out of 12 months this figure was 100%. The average % for the year was affected by

one poor month. However, any planned maintenance not carried out in a given month is automatically added to and completed within the next month's schedule.

Business Continuity

The way in which the contract is monitored would give officers an early indication of any financial issues facing the Contractor.

If the Contractor was unable to fulfil its contractual duties officers would in the first instance secure the leisure sites. We would then work with relevant internal departments such as procurement and legal services to assess the process and associated costs of sourcing a contractor in the short term before following the tender process for a new leisure contract.

### **Grounds Maintenance**

**Responsible Officer:** Marcus Hotten – Assistant Director, Environmental Services

**Contract Monitoring Officer:** Open Spaces Officers

**Contractor:** Green Gateway Trading (GM) Ltd

**Annual Contract Value:** £406,000

**Length of Contract:** 5 years

**Contract Expiry Date:** 02/12/2021

**Responsible Officer's comments:**

There are weekly contract meetings to enable to contract to 'bed in'.

The monitoring of the Ground Maintenance Contract is undertaken by Open Spaces Officers. This is done through day to day to liaison with Green Gateway Trading (GM) Ltd (GGT GM) and through weekly operational and monthly performance meetings, held to discuss the delivery of the contract.

Monitoring upon aspects of the contract is recorded against the outcome specification within the contract. Daily monitoring on a sample of these outcomes is recorded to provide an aggregate score and a snap shot of how the grounds maintenance contract is performing. Individual scores for each aspect of the contract, or individual sites can be drilled down to.

Weekly meetings with the Contractor are attended by the Assistant Director of Environment. The Contractor is represented by a Director of Green Gateway (Principal Open Spaces Officer, RDC). The agendas cover weekly schedules and a review of any current operational issues and other items as identified.

Further quarterly partnership meetings are held with the Portfolio Holder of Environment and all three Directors of GGT in attendance.

The contract price is set annually and is used to inform the budget required for the contract. The Purchase Order reflects the value of the contract

There have been no variations to the contract at present.

The budget is monitored through production of monthly reports, and controlled through the correct use of purchase orders.

Savings were achieved against the previous contract. It is unlikely to achieve any further savings.

Key Performance Indicator	Year End RAG	Year End Target	March 2018
<b>Grounds Maintenance Contract</b>			
Average Contract rating for inspections across all sites	G	1.5	1.14
Average Contract rating for Grass Cutting	G	1.5	1.26
Average Contract rating for Litter	G	1.5	1.36
Percentage of Sites in desired condition	G	95%	100%

#### Business Continuity

The company allows contingency for ability to sub-contract or draw upon RDC staff if required to address unforeseen shortfalls in resources as per the resourcing agreement.



**Materials Recycling Facility**

**Responsible Officer:** Marcus Hotten – Assistant Director, Environmental Services

**Contract Monitoring Officer:** Lesley Athey – Principal Street Scene Officer

**Contractor:** Viridor Waste Kent Ltd

**Annual Contract Value:** Variable value of up to an estimated £450,000

**Length of Contract:** 4 Years

**Contract Expiry Date:** 3<sup>rd</sup> May 2019

**Responsible Officer's comments:**

Meeting with the contractor (Viridor) is undertaken every 6 months, in line with the price review period for the contract. Meetings with the Contractor are attended by the Principal Street Scene Officer and the Assistant Director of Environmental Services. The Contractor is represented by the Regional Contracts Manager.

The agendas covers the reports from the Contractor (performance, finances, health and safety, contamination and market trends) reviews of current operational issues and other items as identified.

The monitoring of the contract is undertaken by the Principal Street Scene Officer. This is done through monitoring of the volumes of waste delivered and turned around usually based upon haulage delivery notes and cross referenced against tonnage delivered into the plant.

A monthly report is produced highlighting recycling performance data; including a breakdown of materials collected and contamination rates. A Health & Safety Report is also included. Monthly invoices are produced and validated against the report. Quarterly final destination data is provided to support submission of Waste Data to Defra.

These meetings are documented usually by confirming anything significant through a follow up e-mail.

There have been no variations to the contract. The contract has no obvious mechanism for variation.

The price of contract is closely linked to the market value of recyclates. Therefore an estimate of the market value against volume of recycle is used to set an annual budget.

Key Performance Indicator	Year End RAG	Year End Target	Year End Result
<b>Health &amp; Safety Report</b>			
Monthly Waste Data report provided by 15th Month	G	100%	100%
Accurate invoice provided Monthly	G	100%	100%

Performance Indicators reflect accuracy of elements of the audit trail, which is the key aspect of the sales related contract.

#### Business Continuity

A business continuity plan is under review. The nature of the contract would afford time to consider novation of the contract if required, due to ability to stockpile recycle within the local waste transfer station. Although the recyclable waste is collected on alternate weekly basis, this is often 'bulked up' before transferring to the Material Recycling Facility in Kent. The local transfer station is sub-contracted to James Waste, and RDC would be able to directly approach James Waste to undertake the MRF function if required.

## **Uniform System**

**Responsible Officer:**

**Contract Monitoring Officer:**

Contractor: Idox Software Ltd

**Annual Contract Value:** £38,000

**Length of Contract:** Renewed Annually

**Contract Expiry Date:** The contract will expire when the system is changed.

**Responsible Officer's comments: –**

The Idox Uniform system is a corporate system used by a number of service areas.

The software is a modular based application. Upgrades or additional functionality is managed by the individual service area as are errors and faults. Rochford's IT section will offer advice and assistance but account meetings generally take place with the Account Manager and the appropriate service area.

The Idox system is scheduled to be upgraded in July 2018 when it will then move to the Azure cloud.

Errors and faults are logged through Rochford's service desk so there is a record of time taken to resolve problems.

The budget is monitored by the IT team who raise the orders on an annual basis

### **Business Continuity –**

Server failure risk will be reduced once the system has moved to the Azure Cloud.

Should the software application fail then each service area will invoke their own Business Continuity Plan. If there are additional IT needs as part of these plans these need to be discussed with IT at an early stage so they can move quickly to mitigate any risks to service delivery.

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**Finance and Procurement System**

**Responsible Officers:** Matthew Petley – Head of Finance  
Matt Harwood-White – Assistant Director,  
Commercial Services

**Contract Monitoring Officer:** Lauren Quigley and Emma Turner

**Contractor:** Access UK Ltd

**Annual Contract Value:** £20,000

**Length of Contract:** Renewed Annually

**Contract Expiry Date:** Renewed Annually

**Responsible Officer's comments: –**

Dimensions is the Council's main accounting system incorporating the nominal ledgers, debtors and creditors functions. It is used by all members of the Finance team.

The Dimensions system was initially purchased in 2009 to replace the previous finance accounts system. The system was procured mainly on the basis of price as a number of other systems reviewed were outside of the council's available financial envelope.

The system was reviewed in May 2016 when Focalpoint was proposed as a purchasing system to integrate directly into Dimensions. It was agreed at that time that Dimensions remained fit for purpose and therefore that the procurement of Focalpoint as a complementary system made operational sense.

Focalpoint contains a link to the live Dimensions systems to allow staff access to live budget information. This ensures that staff are aware of their budget constraints and acts as a control mechanism as Focalpoint does not allow them to raise commitments in excess of their budget.

The only variations to the Dimensions contract have been additional databases which have been purchased for the Councils trading companies and charity accounts, to allow the accountancy team to provide a service to external customers.

Members of the Finance Business Partners and Procurement teams regularly work together to ensure that both systems work efficiently. Going forward this will include attending 6 monthly meetings with the relationship manager for the Access contract. Within these meetings performance of the systems, areas of improvement and pricing will be discussed, alongside any issues or concerns raised. Any meetings that take place will be followed up by an email which details both parties' actions.

Currently the meetings are only held when there is an ongoing or unresolved issue with either of the systems; these allow the Council to ensure the relevant support is provided to resolve the problems as quickly as possible.

For both systems there is access to a helpdesk which is able to assist with technical issues. The communication between the helpdesk and the Council is of a good standard and minor technical issues are usually resolved quickly. This is assisted by our IT department who allow Access to remote into our systems and servers to resolve any issues.

The annual budget for both systems is for the licences and support. They are annually increased inline with indexation which is agreed in the contract. If there are any queries on these fees they are challenged by the Contract Monitoring Officers, in advance of the annual renewal date.

#### Business Continuity

Both Focalpoint and Dimensions are located on the same server which is separate from other Council applications. These are backed up daily.

If there was any system failure with the Focalpoint system only, then Dimensions can be used to provide an ordering service in the short term. This still ensures that budgets are committed, orders are sent to the suppliers, and invoices can be paid inline with our terms.

However if Dimensions is unavailable there is no secondary means for administering the council's financial processes; therefore some disruption would be inevitable.

If Access as a company were to cease trading then a new finance and procurement system would need to be procured, this would take a number of months. In the meantime we understand that the system would continue to be available until the expiry date of the licence; however it would be unsupported during this time.

## **Revenues and Benefits System**

**Responsible Officer:** Matthew Petley – Head of Finance

**Contract Monitoring Officer:** Pam Shepherd - Revenues Manager / Simon Hayward - Benefits Manager

Contractor – Capita Software

**Annual Contract Value:** £63,000

**Length of Contract:** Renewed Annually

**Contract Expiry Date:** No Fixed end date

**Responsible Officer's comments: –**

The Revenues & Benefits system is a Capita product called Academy, it is a specialised product only provided by a limited number of suppliers. The product is the used as a database for Business Rates / Council tax and Housing Benefit administration. Due to the legislative environment, frequent updates are required to the system. The cost of this contract increases annually in line with inflation.

The Council has used the system for 20 years; this is not an unusual situation for Local Authorities as to change systems would be a lengthy and complex process taking in excess of a year to migrate. It is recognised that the lack of competition in the market and the disincentives to change provider does mean that there is limited scope for price negotiations. Management of Revenues & Benefits is split between two officers, they share responsibility for monitoring of the Academy Software System contract, specialising in their nominated areas of expertise.

Quarterly meetings with the software provider are attended by the two Revenues & Benefits Managers and the Head of Finance, the software provider is represented by their Relationship Manager.

The basis of discussions at the meetings is to seek to address any software upgrades/patches that are required. These will be driven either by legislation changes or performance management of the system.

There remain challenges ahead, the main being that of maintenance of the system. Under the previous IT managed contract with Capita, system upgrades and patches were carried out by the in house support team. The council's main IT contract is now supplied by Eduserv; this means that specialist technical advice has to be procured from Capita on an ad-hoc basis.

The only variations to contract are where new modules have been added to meet the reporting requirements from legislation and technology changes. An example of this was a module created to deal with requests for information received under the Freedom of Information Act. These changes are documented and agreed at the time of purchase and are treated as addendums to contract. The costs of these are quoted on a daily rate basis.

The budget for maintaining the Academy system is monitored as part of the wider service budget monitoring process.

#### Business Continuity –

A full business continuity plan for this product is very difficult to achieve given the complexity, sensitivity and size of the caseload data stored within it, and the limited number of alternative providers for this service.

Contingencies are in place for linked business continuity issues, such as remote working should offices be unavailable. Daily back-ups are taken of the servers on which the software resides; however there is no business continuity plan in place for a total supplier failure. Should Capita cease trading the council would need to migrate to a new system, which would take some time to procure and therefore some service interruption would be inevitable.

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## **A127 Air Quality Management Plan**

**Responsible Officer:** Louisa Moss, Assistant Director

**Contract Monitoring Officer:** Martin Howlett, Environmental Health Team Leader

**Annual Contract Value:** c. £1M

**Length of Contract:** c. 24 months

**Contract Expiry Date:** tbc

### **Responsible Officer's comments:**

The project is 'task & finish' in nature and delivered in accordance with timescales and funding provided by the Joint Air Quality Unit (JAQU - Defra/DfT). For the purposes of the project, Basildon (BBC) & Rochford (RDC) councils are being treated as one location, with close assistance from Essex County Council (ECC). Jacobs, as part of Ringway Jacobs, are delivering the project on behalf of ECC.

There are weekly tele-conferences hosted by JAQU, with additional weekly project group tele-conferences. Other workshops, presentations and meetings are arranged and attended as required to facilitate delivery of key milestone actions.

Ringway Jacobs provide a weekly progress update and populate JAQU's budget tracker on a monthly basis. A project risk register is also updated as necessary and all relevant documentation is uploaded to 'Huddle' ([www.huddle.com](http://www.huddle.com)) - a dedicated online file storage system - to facilitate JAQU oversight.

All funding is provided by JAQU in staged payments. Grant award values are not known in advance, but are nominally based upon project spend forecasts. There is a third-party agreement between ECC, BBC & RDC. Orders have therefore referenced this agreement and have been varied in light of additional grant awards being made. New orders raised using this funding have referenced existing orders.

As the lead authority, RDC receives 100% of grant awards. Orders are raised by RDC on behalf of both local authorities and receipted monthly.

In 2019, the project will turn from one of quantifying the air quality problem and scoping potential remedies, to one of implementing the actions required to reduce nitrogen dioxide levels in the shortest possible timeframe. The actions approved by JAQU will attract their own funding.



Business Continuity

Officer comments:

The Environmental Health Team Leader (EHTL) is the lead local authority officer for this project. Operationally, consensus is sought from officers of all three local authorities and the absence of one is not an impediment to decisions being made.

Other members of the wider project team also liaise with JAQU officials in the absence of the EHTL or on specific technical matters as required.

## **Responsive Building Work Maintenance**

**Responsible Officer:** Matt Harwood-White – Assistant Director, Commercial Services

**Contract Monitoring Officer:** Richard Tatton-Bennett

**Contractor:** ACL GP Ltd

**Annual Contract Value:** £30,000

**Length of Contract:** 4 years

**Contract Expiry Date:** 31/03/2020

### **Responsible Officer's comments:**

ACL GP Limited holds the Responsive Building Work Maintenance contract with the Council. The monitoring of this contract is undertaken by the Principal Engineer through day to day contact with the contractor and site inspections where work is being or has been carried out to ensure appropriate standards are achieved in line with the contract. Due to the nature of the works completed under this contract, the majority of works are minor in nature, however on occasion more significant works are necessary due to the age of the assets. Due to staff and visitors using the council's assets any works can be of a major inconvenience to the operation of the assets and user expectation is high.

In addition to the above, performance and KPIs will be monitored periodically going forward.

A positive working relationship has been established with this local contractor. The contractor has embraced the councils' drive to raise the profile and standards of Health & Safety. The Health and Safety Officer has previously raised concerns directly with the Contractor regarding working practices, this resulted in contract monitoring meetings being held to ensure issues were addressed and resolved. The Principal Engineer will continue to monitor compliance in this area through meetings with the contractor.

There have been no variations to this contract and budgets are monitored to ensure spend is within limits, there are challenges in this area given the responsive nature of the contract and the age of some of the Council's assets.

### **Business Continuity –**

Officers have the necessary contact details of other local contractors that could be asked to step in at short notice should the existing contractor fail, in the short term whilst a new contract is being tendered.

## **Temporary Accommodation Framework**

**Responsible Officer:** Louisa Moss

**Contract Monitoring Officer:** Jeanette Hurrell

Contractors: Welbeck Hotel, Malvern Hotel, Southend Guest House, Shamrock Guest House, Grosvenor Hotel, York Lodge

**Annual Contract Value:**

**Length of Contract:**

**Contract Expiry Date:**

### **Responsible Officer's comments:**

Use of out of district B & B accommodation under this framework has been predominately with Grosvenor Hotel and York Lodge.

When clients are placed at the accommodation, weekly if not daily, conversations and monitoring is carried out by members of the housing options service. These are dependent on the needs of the clients and the level of information that needs to be shared with the B & B provider.

Outcomes of monitoring are recorded electronically case by case and monthly audits of cases are overseen by the Housing Options Manager.

The providers have and continue to work flexibly with the Housing Options team. All KPI's have been met and no formal interventions/variations have been necessary to date.

B & B budgets are monitored monthly and the forecasted current year end position, as at the end of May 2018 on the net spend for the wider Housing Options Service, will be 3.8% (£27,000) lower than the budgeted amount.

Over the last year the ongoing increase in prevention work, together with the impact of new supplies of temporary accommodation at Francis Cottey Lodge and 22 South Street has all had a significant impact in helping to manage our numbers and costs, with particular reference to the use of out of district B&B accommodation, which has reduced by 81% since last year. In June 2017, 27 households were recorded as being accommodated in B & B, compared with a current 5 households.

Despite increasing control over supply and budgets over the last year, the ongoing limited availability of affordable housing options means that there is still a current reliance on this framework/B&B accommodation, however, this contractual

arrangement, will need to be reviewed later in the year, because it is anticipated that a further increase in the supply of temporary accommodation, at the Kings Head, 11 West Street, Rochford, will impact on the use/need for B & B accommodation.

#### Business Continuity

In the event that accommodation was not available, efforts would be made to find accommodation with client's family, friends, other local providers and authorities.

The difficulty that may arise is that it is likely that this alternative accommodation could only be used for a short period. The budget pressure would be significant to meet this need and the impact for clients high.

A recent approach by the Essex Resilience Group has been made to the Essex Housing Officers' Group to start a discussion on how they would manage when asked to cope with an unexpected and large number of homeless families.

The initial view was that there was insufficient housing available, and insufficient trained officers to process and support the families. To check this view an exercise was held on 21st February 2018. The premise was an incident had occurred and a large number of families had been made homeless. A mutual aid request went to all Housing Officers to see what accommodation they could make available and what staff they could free to help with processing families.

The results confirmed the lack of available housing, but in addition showed a complex mix of type, availability, location and seasonality that would place even greater pressures on the management aspects. A few Authorities could make a member of staff available for the odd day to assist, but it was clear that all Housing Offices are working to capacity on a daily basis.

At the Essex Housing Officers' Group meeting on 22nd March 2018, these results were discussed and it was agreed that a proposal would be put forward for a joint working group. This group would be a combination of Essex Housing Officers and Essex Resilience Forum members. A briefing for CEO's is scheduled to endorse this approach.