

---

**REPORT TO THE MEETING OF THE EXECUTIVE 4 NOVEMBER 2021****PORTFOLIO: FINANCE****REPORT FROM ASSISTANT DIRECTOR – LEGAL & DEMOCRATIC****SUBJECT: CONTRACT MONITORING 2020/21****1 DECISION BEING RECOMMENDED**

- 1.1 That the contents of the report be noted.
- 1.2 To note 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.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 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.
- 2.2 As part of the audit of the 2017/18 accounts the Council's external auditors, Ernst and Young, asked for further assurance around the Council's business continuity arrangements in the event of a supplier failure (in light of the experience of Carillion) to ensure the Council can demonstrate financial resilience.
- 2.3 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.
- 2.4 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.
- 3.5 The following training has been delivered as part of the strategy to ensure the procedure rules are 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 was completed, and additional refresher sessions completed. These sessions highlighted the principles of contract management and sound contract monitoring. This training is being followed up by the creation of a E-Learning course for all staff.
- 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 several key contracts will be provided to Council Members on an annual basis.
- 3.9 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. Following this review Contract Risks Registers (CoRR's) for Medium to High-risk contracts are created and owned by each Contract Monitoring Officer and identify the risks and mitigation controls that apply to that particular contract. They form part of a continual review and are monitored at LT meetings.
- 3.11 This report has been compiled to outline the process and outcomes of Contract Monitoring for the following Contracts for the period April 2020 – March 2021.
- ICT;
  - Street Cleansing Services;
  - Waste Management Services;
  - Leisure Management;

- Grounds Maintenance;
- Materials Recycling Facility;
- The Finance and Procurement System;
- The Revenues and Benefits System and;
- 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.

### **3 ALTERNATIVE OPTIONS CONSIDERED**

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

### **4 RISK IMPLICATIONS**

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

### **5 RESOURCE IMPLICATIONS**

- 5.1 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.
- 5.2 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.

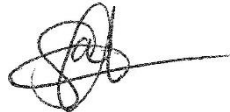
**6 LEGAL IMPLICATIONS**

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

**7 EQUALITY AND DIVERSITY IMPLICATIONS**

7.1 An Equality Impact Assessment has not been completed as no decision is being made.

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



**Assistant Director – Legal & Democratic**

---

**Background Papers:-**

None.

For further information please contact Lauren Quigley on:-

Phone: 01702 318023

Email: [Lauren.quigley@rochford.gov.uk](mailto:Lauren.quigley@rochford.gov.uk)

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

**ICT**

**Responsible Officer:** Dawn Tribe - Transformation

**Contract Monitoring Officer:** Dawn Tribe

**Contractor:** Jisc (Formerly Eduserv)

**Annual Contract Value:** £129,000.00.

**Length of Contract:** 2 Years + 12 months under the G-Cloud 12 Framework agreement.

**Contract Expiry Date:** 31/03/2023

**Responsible Officer's comments:**

The Cloud Migration Project has been completed following the Academy Revenue's and Benefits system move to a Capita Managed Service.

Work has completed in decommissioning the remaining servers within the Equinix Jisc data centre followed by a Data Centre Exit in March 2021.

The Council has now moved to Jisc Azure Managed Cloud Service model, the annual contract value has decreased considerably.

Client Contractor update calls take place on a weekly basis.

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

These figures are for a 12-month period starting from August 2020 – August 2021.

		<b>Completed Within Target</b>	<b>out of Target</b>
Incidents reported to Jisc	106	103	3
Service Requests reported to Jisc	49	48	1

**Business Continuity**

Officer Comments:

Due to the work which the ICT Team had been undertaking to move staff to Microsoft 0365 prior to the Covid-19 lockdown we were able to move staff and Members to remote working ensuring that Rochford were able to provide its services to its public which fully tested our Business Continuity plan in the event that we were unable to work from the offices and giving confidence that we would be able to fulfil the agile/new ways of working as part of the 'Connect' Programme.

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.

Rochford's ICT and Jisc continue have completed work to improve the resilience of our infrastructure. Consolidation of our connections such as our WAN, DC and LAN plus an introduction of JANET were implemented in 2021 to ensure that a new fit for purpose support agreement is in place.

As the Azure Cloud Managed Services were procured through a G-Cloud 11 Framework, should Jisc cease to trade, there are a number of other providers on the framework who could provide a Managed Service.

## **Street Cleansing Services**

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

**Contract Monitoring Officer:** Marcus Hotten – Street Scene Officer

**Contractor:** Suez Ltd

**Annual Contract Value:** £760,000

**Length of Contract:** 7 years + 7 years (+ 3 additional months)

**Contract Expiry Date:** 30th June 2022

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

The monitoring of the Street Cleansing Contract is undertaken by the 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 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.

It should be noted that performance has been impacted upon by Covid-19, with resource being prioritised to continuation of the associated waste collection 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.

<b>Key Performance Indicator</b>	<b>April RAG</b>	<b>Year End Target</b>	<b>Year End Result</b>
<b>Street Scene Contract</b>			
<b>% Of Streets Mechanically Swept as per schedule</b>	<b>R</b>	<b>99%</b>	<b>36%</b>
<b>Turnaround time on response and clear up of fly-tipping</b>	<b>A</b>	<b>1 working day</b>	<b>1.2</b>

### **Business Continuity**

Officer Comments:

This is assessed and captured in the Service Business Continuity Plan (Reviewed 20/7/21), and the SUEZ Business Continuity Plan (14/4/21) submitted as per contract agreement. Latest continuity plan had been reviewed to reflect impact of Covid-19.

Current tender process for new contract award is being undertaken, once the outcome and award of the contract has been decided, an exit strategy for the current contract will be developed and agreed by both parties



## **Waste Management Services**

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

**Contract Monitoring Officer:** Caroline Bell – Street Scene Officer

Contractor: Suez Ltd

**Annual Contract Value:** £2,130,000

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

**Contract Expiry Date:** 30th June 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 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 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.

		target	April 21
Actual Missed Bins	A	200	127
Missed Bins out of SLA	A	50	32
Poor Bin Returns	G	100	23

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.

### Business Continuity

Officer Comments:

This is assessed and captured in the Service Business Continuity Plan (Reviewed 20/7/21), and the SUEZ Business Continuity Plan (14/4/21) submitted as per contract agreement. Latest continuity plan had been reviewed to reflect impact of Covid-19.

Further work is currently being undertaken to address HGV driver shortage through introduction of a driver retention scheme.

An interim review of the BCP is now scheduled due to recent impact of service continuity regarding fuel shortage.

Current tender process for new contract award is being undertaken, once the outcome and award of the contract has been decided, an exit strategy for the current contract will be developed and agreed by both parties.

## Leisure Management

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

**Contract Monitoring Officer:** Mark Aldous – Senior Leisure & Cultural Services  
Officer

**Contractor:** Fusion Lifestyle

**Annual Contract Value:** £164,760.60 (please see comments below)

**Length of Contract:** 20 years, extended by an additional 3 years in 2020

**Contract Expiry Date:** 31<sup>st</sup> March 2025

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

#### COVID-19

All the Council's leisure sites closed on 20 March 2020, as required by Government legislation in response to COVID-19.

The COVID-19 pandemic created a significant economic impact within the leisure sector in the UK, both public and private. The period of enforced closure resulted in revenue lines collapsing and, while the industry placed staff on furlough to reduce staffing costs, many of the fixed costs to maintain facilities remained. The pandemic also impacted on the industry due to the requirements necessary to ensure facilities were made COVID-19 secure and because of demand issues arising from site users having confidence in returning to use them.

At a meeting of the Council's Executive on 11 August 2020 it was resolved that additional budget of up to £429,500 be approved to enable the selected option to be implemented to the end of the financial year 2020/21, subject to agreement by Fusion Lifestyle to the proposed letter of variation to the current contract. The selected option was for Clements Hall Leisure Centre and Rayleigh Leisure Centre to reopen in late August 2020; The Mill Arts & Events (The Mill) and Castle Hall to reopen in late October 2020; and for Freight House to remain closed and mothballed.

All sites had to close again from 5 November 2020 further to Central Government's national restrictions for a 4-week period to 2 December 2020. At a meeting of the Council's Executive on 2 December 2020 it was resolved that the current leisure contract with Fusion Lifestyle be extended for a period of 3 years beyond the existing term taking it to 31 March 2025 with the following changes to the sites within the portfolio:

- Freight House to remain closed as per the recommendation in the report to August's Executive.
- The Mill and Castle Hall to not reopen following the national enforced closure between 5 November and 2 December.

It was resolved that additional budget of £123,732 over the lifetime of the contract extension be approved to enable the preferred option to be implemented, subject to agreement by Fusion Lifestyle to the proposed letter of variation to the current contract.

The two leisure centres had to close again as per Government legislation on 4 January 2021. Clements Hall Leisure Centre reopened on 29 March 2021 for outdoor provision only and both leisure centres reopened on 12 April 2021 in line with restrictions.

The monitoring of the Leisure Contract is undertaken by the Senior Leisure & Cultural Services Officer. This is usually done through day to day 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.

This was not possible in 2020-21 due to COVID-19 but the following took place as way of mitigation.

During the periods of closure, the Contractor performed statutory inspections and planned maintenance in the facilities to avoid long term issues and to keep the centres safe, secure and maintained. Council officers carried out site visits during these periods in addition to regular external checks of the sites. To bring the centres up to an appropriate standard for public usage after a period of extended closure, the Contractor ensured compliance with legal and technical industry standards in addition to the necessary COVID-19 secure adaptations.

Monthly meetings with the Contractor are usually attended by the Senior Leisure & Cultural Services Officer as well as the Assistant Director for Assets & Commercial as required. The Contractor is usually represented by their Business Manager, Business Development Manager and Regional Business Manager.

Quarterly meetings are usually attended by all of the above.

These meetings did not take place in the same format during the periods of closure, however, the Council's Senior Leisure & Cultural Services Officer was in regular contact throughout with the Contractor's Regional Business Manager with meetings taking place via Teams.

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

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 2020-21

Key Performance Indicator	Year End RAG	Year End Target	Year End Result
<b>Leisure Contract</b>			
LPI001 Clements Hall Sports Centre visits		573,696	76,708
LPI002 Rayleigh Leisure Centre visits		116,082	19,881
LPI004 Freight House visitors - Percentage Occupancy		27%	0%
LPI005 Mill Arts and Events Centre visitors - Percentage Occupancy		55%	0%
LPI816 Health and Safety Audit		97%	See commentary below
LPI817 Customer Satisfaction – Net Promoter Score		15	10
LPI818 Accidents per 10,000 visits		<3	0.1
LPI819 Planned Maintenance completed on schedule		100%	100%

The year-end targets were set pre COVID-19.

Due to the various closure periods, it wasn't possible for the Contractor's full Health & Safety audit to be conducted in the normal way. During the phased reopening of centres in August 2020, the programme was planned and re-commenced, but due to the enforced closures, the programme could not be completed.

However, as detailed above during the periods of closure the Contractor performed statutory inspections and planned maintenance.

Therefore, the audit programme was placed on hold and all centres will receive at least 1 audit by the end of 2021.

### Net Promoter Score

Net Promoter Score (NPS) measures customer experience. It is calculated through a single question using a 0-10 scale;

*How likely is it that you would recommend Fusion to a friend or colleague?*

Scores of 9-10 – Promoters

Scores of 7-8 Passives

Scores of 0-6 Detractors

Subtracting the percentage of Detractors from the percentage of Promoters yields the NPS.

The Contractor has acknowledged their communication during the first period of COVID-19 enforced closure was sub optimal. This was raised with the Contractor's senior managers and their Chief Executive who committed to improve in this area. Officers supported customers who were due refunds from Fusion from bookings at Freight House and The Mill Arts & Events Centre, where there were long delays in these being processed and poor communication on the part of Fusion.

In the subsequent periods of closure the communication with customers was improved, however officers continue to monitor this and seek further improvement.

Customer feedback after the August 2020 reopening from both leisure centres was broadly positive. Numerous positive comments were received regarding the measures undertaken by Fusion to ensure the sites were COVID-19 secure and how safe site users felt using them. However, frustration was also raised regarding when certain sports would restart, timetabling and opening hours. Fusion reiterated throughout that they were following Government and National Governing Body guidance and that all operational matters were under constant review.

### **Business Continuity**

Officer Comments:

The Directorate Business Continuity Plan and the Contractor's Business Continuity Plan have been reviewed. They will remain under review as an ongoing process and learning embedded should restrictions result in closure of leisure sites in the future.

Council Officers continue to be in regular contact with Braintree District Council and Southend Borough Council who also have leisure operating contracts with the Contractor.

Mitigation against failure of the leisure operator will also continue as previously with any new contracts including a business continuity plan in the selection criteria.

## **Grounds Maintenance**

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

**Contract Monitoring Officer:** Open Spaces Officer

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

**Annual Contract Value:** £415,000

**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 snapshot 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 2020
<b>Grounds Maintenance Contract</b>			
Average Contract rating for inspections across all sites	A	1.5	1.74
Average Contract rating for Grass Cutting	A	1.5	1.6
Average Contract rating for Litter	R	1.5	2.3
Percentage of Sites in desired condition	A	95%	83%

### Business Continuity

Officer Comments:

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.

The existing Contract is soon to cease, an exit strategy and continuity of service has been provisioned.



## **Materials Recycling Facility**

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

**Contract Monitoring Officer:** Caroline Bell – Street Scene Officer

**Contractor:** Viridor Waste Kent Ltd

**Annual Contract Value:** Variable value of up to an estimated £600,000

**Length of Contract:** 17 months (+ 18 month extension)

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

### **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 cover 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 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.

The price of contract is closely linked to the market value of recyclates. Therefore, an estimate of the market value against volume of recyclate 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 15 <sup>th</sup> of each 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

Officer Comments:

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 if required. Alternative transfer facilities also exist at Stock Road industrial estate which the contractor are able to call on if required.

## **Academy Revenues and Benefits System**

**Responsible Officer:** Naomi Lucas – S151 Officer

**Contract Monitoring Officer:** Pam Shepherd - Revenues Manager and Benefits Manager

**Contractor** – Capita Business Services

**Annual Contract Value:** £125,018 per annum for the core contract

**Length of Contract:** 5 years

**Contract Expiry Date:** end October 2025 and will continue thereafter on a rolling annual basis unless terminated by either party under the terms of the contract

**Responsible Officer's comments:** –

### **Background**

The Revenues & Benefits system is a Capita product called Academy; the software required to run this service is a specialised product only provided by a limited number of suppliers. The product is 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. In addition, as part of the contract the Council has purchased Capita's end of year service which covers annual billing and end of year reconciliation. The cost of the end of year service is an additional £17,880 per annum for the 5 years of the contract.

The Council has used the system for 20 years; this is not an unusual situation for Local Authorities since 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.

### **Contract Management Arrangements**

Capita also have a helpdesk where day to day issues arising are logged and monitored to resolution

Regular monthly meetings are held virtually between the Revenues & Benefits Manager and Business Support Team at Rochford and the Capita Managed Service Team. Discussions centre around any outstanding system issues that have been identified and logged via the helpdesk.

In addition, quarterly virtual meetings are held between the Revenues & Benefits Manager & business support team at Rochford and our Capita Account manager.

Capita also now hold regular virtual national user group meetings to give updates on service standards and to advise of future developments.

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

### **Business Continuity**

Officer Comments:

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. Further resilience has been achieved under the new contract arrangements now the Academy system has migrated to Capita's cloud; this includes a service level agreement for availability of the system to ensure business continuity.

Contingencies are in place for linked business continuity issues, such as remote working should offices be unavailable as we have experienced recently with COVID-19. Daily back-ups are taken by Capita; 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.

## **Finance and Procurement System**

**Responsible Officers:** Naomi Lucas – Resources  
Angela Law – Legal & Democratic

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

**Contractor:** Access UK Ltd

**Annual Contract Value:** £21,500

**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.

For 2021/22 Dimensions and Focalpoint will be updated to the latest version of the system which will give some greater functionality. Additionally, modules are being purchased for credit control to aid debt recovery, and an invoice register for more efficient monitoring of invoices.

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 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 in line with indexation which is agreed in the contract. If there are any queries on fees, they are challenged by the Contract Monitoring Officers, in advance of the annual renewal date.

### **Business Continuity**

Officer Comments:

Both Focalpoint and Dimensions are located on the same server which is separate from other Council applications. These are backed up daily. Once the upgrade is completed the system will be hosted remotely by Access, which will provide further resilience for the council's operations, as these systems will be accessible from any web browser without relying on the council's internal servers.

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 in line 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.

## **Emergency Temporary Accommodation Framework**

**Responsible Officer:** Louisa Moss

**Contract Monitoring Officer:** Jeanette Hurrell

**Contractors:** District/Out of District accommodation providers

**Annual Contract Value:**

**Length of Contract:** 3 years plus 2 x 1 year extensions.

**Contract Expiry Date:** 2023 plus 2 x 1 year extensions.

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

The Homeless Reduction Act prevention duties means that the use of emergency temporary accommodation under this framework remains relatively low.

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 accommodation provider.

Outcomes of monitoring are recorded electronically case by case and all cases are signed off by the senior Housing Options officer. The Housing Options team leader will carry out a further audit of all cases.

The accommodation 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.

Budgets are monitored monthly and the Q1 position, as at the end of June 2021 on the net spend for the wider Housing Options Service, was 0.39% underspent (£3,290.85).

The ongoing limited availability of affordable housing options means that there will continue to be an ongoing need for this framework, be it a continuing reduced reliance.

### **Business Continuity**

**Officer Comments:**

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.

Previous pan Essex exercises have confirmed the view is that there is insufficient housing available, and insufficient trained officers to process and support families, in the event of a homeless emergency. 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.

This remains an ongoing live workstream for both the Essex Resilience and Housing Groups.