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**REPORT TO THE MEETING OF THE EXECUTIVE 4 SEPTEMBER 2019****PORTFOLIO: FINANCE****REPORT FROM ASSISTANT DIRECTOR – LEGAL & DEMOCRATIC****SUBJECT: CONTRACT MONITORING 2018/19****1 DECISION BEING RECOMMENDED**

1.1 That the contents of the report be noted.

**2 REASON 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 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.

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.

- 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 during Autumn 2018. These sessions highlighted the principles of contract management and sound contract monitoring.
- 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 Indicators 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 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 2018 – March 2019.
- 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
- Temporary Accommodation.

3.12 The reports for each of these contracts can be found at the appendix to this report. 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 monitor contracts effectively leaves the Council vulnerable to receiving sub optimal services and associated risk.

#### **6 RESOURCE IMPLICATIONS**

6.1 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.

6.2 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.

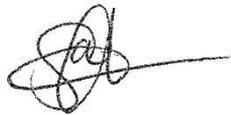
**7 LEGAL IMPLICATIONS**

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

**8 EQUALITY AND DIVERSITY IMPLICATIONS**

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

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



**ASSISTANT DIRECTOR – LEGAL & DEMOCRATIC**

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**Background Papers:-**

None.

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

## Appendix

ICT

**Responsible Officer:** Dawn Tribe – Assistant Director, Transformation & Customer

**Contract Monitoring Officer:** Dawn Tribe

Contractor: Eduserv

**Annual Contract Value:** £108,000 for the core managed service contract

**Length of Contract:** 2 Years

**Contract Expiry Date:** 31/09/2020

**Responsible Officer's comments:**

In October 2017 the District Council's server estate transferred from Capita's data centre to Eduserv's (now Jisc)

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 scheduled to be fully completed in September 2019 with Academy Revenues and Benefits being the last application to move from Jisc's (formerly Eduserv) data centre the Council will move to a Jisc cloud-based service delivery model.

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

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

\*Figures below are for a 3-month period starting from January 2019:

		<b>Completed Within Target</b>	<b>out of Target</b>
Incidents reported to Eduserv	72	68	4
Service Requests reported to Eduserv	20	18	2

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.

Eduserv have merged with Jisc; our remaining applications and servers, which have not been moved to the Azure Cloud environment, have temporarily been moved to a collocated site. Equinix site plans are in place to move to Azure by September.

Should Jisc 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, Place & Environment

**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:** 31/03/2022

### **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 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, Place & Environment, Portfolio Holder for Environment and the 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 2019	Year End Target	Year End Result
<b>Street Scene Contract</b>				
<b>% Of Streets Mechanically Swept as per schedule</b>	<b>A</b>	96%	99%	76%
<b>Average time till Mechanical Swept task closed</b>	<b>A</b>	0.96day	1 day	1.2
<b>Turnaround time on response and clear up of fly-tipping</b>	<b>G</b>	0.92	1 working day	0.84
<b>% of Streets Mechanically Swept as per inspection on Monthly Rota</b>	<b>A</b>	89.1%	99%	83%

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 captured 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.

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## **Waste Management Services**

**Responsible Officer:** Marcus Hotten – Assistant Director, Place & Environment

**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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Key Performance Indicator	RAG	Target	April 2019
Actual Missed Bins	G	200	164
Missed Bins out of SLA	G	50	29
Poor Bin Returns	G	100	15

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 20/12/17), and the SUEZ Business Continuity Plan (11/1/18) submitted as per contract agreement.

## Leisure Management

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

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

**Contractor:** Fusion Lifestyle

**Annual Contract Value:** £160,444

**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, Assets & Commercial Services. 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 2018-19

Key Performance Indicator	Year End RAG	Year End Target	Year End Result
<b>Leisure Contract</b>			
LPI001 Clements Hall Sports Centre visits	A	559,545	551,419
LPI002 Rayleigh Leisure Centre visits	A	113,631	111,574
LPI004 Freight House visitors - Percentage Occupancy	G	27%	27%
LPI005 Mill Arts and Events Centre visitors - Percentage Occupancy	A	55%	51%
LPI816 Health and Safety Audit	G	97%	98%
LPI817 Customer Satisfaction	A	90%	86%
LPI818 Accidents per 10,000 visits	G	<3	2.93
LPI819 Planned Maintenance completed on schedule	G	100%	100%

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 competition provided by budget gyms. The targets, which are reviewed and set on an annual basis, are also challenging.

Clements Hall Leisure Centre remained open during the wetside changing village refurbishment works in December 2018 but the disruption did cause a reduction in visits.

The refurbishment of both the wetside changing village and the investment in the gym at Clements Hall Leisure Centre should lead to improved customer satisfaction in 2019-20. The Contractor has also started holding monthly Meet the Manager sessions at both sites giving Centre users a regular opportunity to raise and discuss any issues.

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 Contractor is working in partnership with ACE Lifestyle to deliver weekly 'My Weight Matters' sessions at Clements Hall Leisure Centre. The sessions are a weight management programme for adults who want to lose weight and be more active.

#### 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 contractor.

## **Grounds Maintenance**

**Responsible Officer:** Marcus Hotten – Assistant Director, Place & Environment

**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:**

The monitoring of the Ground Maintenance Contract is undertaken by Open Spaces Officers. This is done through day to day 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, Place & 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 2019
<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	A	1.5	1.62
Percentage of Sites in desired condition	A	95%	92%

### Business Continuity

As Green Gateway Trading is 100% owned by the RDC this gives the Council greater assurance and control over its operations. Conversely, RDC also bears the ultimate risk of any unexpected liabilities, which could make GGT unsustainable in future. The company has the 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, Place & Environment

**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:** 18 months

**Contract Expiry Date:** 3<sup>rd</sup> November 2020

### **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, Place & Environment. 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 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 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 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 recyclate 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 Hadleigh Salvage, and RDC would be able to directly approach Hadleigh Salvage if required.

## **Uniform System**

**Responsible Officer:** Dawn Tribe, Assistant Director, Transformation & Customer

**Contract Monitoring Officer:** Ami Goulter

**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 October 2019 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:** Naomi Lucas – Assistant Director, Resources  
Angela Law – Assistant Director, Legal & Democratic

**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.

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## Academy Revenues and Benefits System

**Responsible Officer:** Naomi Lucas – Section 151 Officer

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

**Contractor** – Capita Business Services

**Annual Contract Value:** £63,000 in 2018/19 for the core contract\*

**Length of Contract:** Renewed Annually\*

**Contract Expiry Date:** Rolling annual contract\*

*\*Note this report relates to the previous contract with Capita in place during 2018/19. A new 5 year contract has now been signed with Capita which will include moving the Academy system to the Cloud in late 2019/20*

**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. 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 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

Management of Revenues & Benefits was previously split between two officers, who shared responsibility for monitoring of the Academy Software System contract, specialising in their nominated areas of expertise (note the Revenues and Benefits team is now managed by one officer).

During 2018/19 quarterly meetings were held with Capita attended by the two Revenues & Benefits Managers and the Head of Finance (now left), with Capita represented by their Relationship Manager. The basis of discussions at the meetings was to seek to address any software upgrades/patches that were required. These

are driven either by legislation changes or performance management of the system. In addition, Capita have a helpdesk to resolve any day to day issues arising.

The only variations to the previous contract related to new modules 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.

#### Interdependencies with other contracts

The current system is maintained on the Council's own servers. Under the previous IT managed contract with Capita, system upgrades and patches were carried out by Capita's in-house support team. The council's main IT contract for 18/19 was supplied by Eduserv (now Jisc); this meant that specialist technical advice had to be procured from Capita on an ad-hoc basis. This should be mitigated under the new contract with Capita once the Academy system has moved to Capita's own cloud platform which will be hosted and managed directly by them.

#### Business Continuity Arrangements

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 should be achieved under the new contract arrangements once the Academy system is 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. 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, People & Communities

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

**Annual Contract Value:** £1.65m in total across the length of the contract

**Length of Contract:** 20 months

**Contract Expiry Date:** Ceased May 2019

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

The project was '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 were 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 (Essex Highways).

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

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

All funding was provided by JAQU in staged payments. Grant award values were not known in advance but were based upon project spend forecasts. This did cause some issues, notably in July 2018 when – despite clear forecasting - there was a period of inactivity due to the project team running out of funds. This was overcome partially by an interim grant payment but did have a material impact on delivery timescales.

The contract was supported by a series of third-party agreements between ECC, BBC & RDC. Orders therefore referenced these agreements and have been varied in light of additional grant awards being made. New orders raised using this funding referenced previous orders to help all parties track commitments.

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

In May 2019, JAQU adjudged that RDC had discharged its obligations in regard of the assessment of compliance with nitrogen dioxide target levels and therefore RDC withdrew from the contract. As of August 2019, all outstanding invoices relating to held grant monies for both authorities had been paid. BBC will assume responsibility for its own contract management for their continuing work.

There remain no further actions for RDC to complete in respect of this work, although some separately funded joint work with BBC is ongoing.

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## **Emergency Temporary Accommodation Framework**

**Responsible Officer:** Louisa Moss, Assistant Director, People & Communities

**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:** 2019. Currently in the process of being reviewed.

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

With the introduction of the Homeless Reduction Act and new prevention duties the use of emergency temporary accommodation under this framework has significantly reduced over the last year i.e. greater than 80% reduction.

When clients are placed at the accommodation, weekly if not daily, conversations and monitoring are 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 forecasted current year end position, as at the end of July 2019 on the net spend for the wider Housing Options Service, will be 11% (£67,000) underspent.

Despite increasing control over budgets over the last year, the ongoing limited availability of affordable housing options means that there will continue to be an ongoing need for this framework, be it a significantly reduced reliance.

### **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.

The Essex Resilience Group and Essex Housing Officers' Group have started a discussion on how they would manage when asked to cope with an unexpected and large number of homeless families.

The view is that there is insufficient housing available, and insufficient trained officers to process and support families. This view has been informed by an exercise which was held on 21st February 2018: the premise was that 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 joint working group endorsed by CEO's is still a live workstream for both the Essex Resilience and Housing Groups.