

BEST VALUE CONSULTATION

The consultation described below is currently taking place and will conclude on the 1 November 2013. The findings from this, and the consultation on equalities, will be included in Appendix 7 of this report to Cabinet and Council, when available.

Strategic Services Partnership – Possible contract extension

Since October 2007 Southampton City Council has been in contract with Capita to provide a number of services. This arrangement is known as the Strategic Services Partnership (SSP). The services covered are:

- Customer Services - The front line contact with the council's customers through Gateway and the customer service centre, and internal post and document management.
- Human Resources & Payroll Services - Including recruitment, payroll, employee relations, health and safety, occupational health, learning and development, and strategy and reward.
- Property Services - Including professional consultancy, project management, valuations, managing investments, accommodation strategy, repair and maintenance, highways and bridges, regulatory services and property records.
- Procurement Services - Undertaking procurement projects to source appropriate suppliers able to meet the Council's needs on high value projects.
- Local Taxation & Benefits Services - Administering the collection of council tax, national non-domestic rates and the calculation and payment of housing and council tax benefits.
- IT Services - Grouped into four main areas; service delivery, technical infrastructure, applications development and support, and programme management.
- Print Services - Providing a one stop shop for all printing and printed related services, including a central photocopying service, finishing and any print related projects.

The council's contract with Capita currently runs until 30 September 2017, but the council is considering whether to extend it by five years to 30 September 2022 (this extension was allowed for in the original contract).

We would like your views about the possible extension of the contract with Capita. The main alternatives at the end of the contract term would be to bring the services back "in-house", so that they are provided directly by the council; to enter a partnership arrangement with another council; or to retender the contract in full or in part.

Why extend the Strategic Services Partnership?

The council and Capita have recently been discussing changes to the SSP that would benefit the council and reduce the cost as part of an extended contract.

There is no intention to extend the services outsourced or to transfer council staff to Capita as part of this proposal.

The main benefits are:

- Guaranteed financial savings totalling almost £24 million over the next nine years (compared with costs projected over that period on the basis of the current cost of the contract due to expire on 30th September 2013);
- Flexibility in pricing for future volume changes. The flexibility in pricing for volume changes will give opportunities for further savings if the council's staff shrinks and provides a sound framework for as yet unknown changes;
- Capita will develop One Guildhall Square as a Southampton business centre, providing job opportunities for local people, guaranteeing that any job losses from the changes to the SSP will be offset by additional jobs from business with other Capita clients. In the past 12 months, Capita has brought 95 FTE worth of new jobs into the City.
- Capita will support the greater community by providing volunteering opportunities for Capita staff through their Corporate Social Responsibility (CSR) programme.
- Capita will promote apprenticeships, internships and work experience opportunities in local Southampton schools, colleges, and universities and will itself commit until September 2022 to offer a minimum of:
 - 40 apprenticeships.
 - 100 summer internships and/or work experience placements.
- Capita will support the SME local business community with expertise and practical services, for example with free of charge local workshops for business on public sector procurement to enable them to bid effectively for local public sector opportunities.
- In Customer Services, Capita will invest in technology and process re-engineering to allow changes necessary for channel shift (moving more services online). These changes are subject to a separate consultation which can be found on the Council's website
- In the IT Services, there will be transformation activity including deployment of the latest technology strategies:-
 - cloud based hosting and server virtualisation, which will provide a robust yet flexible infrastructure;
 - a major project in 2013/14 to upgrade the council's Microsoft Windows, Office and Exchange desktop environment and the server software infrastructure;
 - a shared service model in which resources and service elements are provided from one or more of Capita's sites around the country.
- Both parties will work together to support the Council's change programme.
- The proposal will bring long-term clarity and assurance for Capita staff, improving morale and providing opportunities during this period of major change.
- Delaying from 2015/16 to 2020/21 the need to undertake a procurement exercise costing at least £2 million.

The consultation process

Consultation on these proposals runs until 1 November 2013. You may give your opinion on any aspect of the proposals by writing to the address below. Comments will be consolidated into a report which will be available to Members of the Council when they make a decision on the proposals. This is expected to be later in October 2013.

Please send your views to:

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