

Joint Committee of the Capita Corporate Services Contract

Report of Client Relationship Director

Author: Claire Hughes

Telephone: 07706 294692

E-mail: claire.hughes@havant.gov.uk

Cabinet member responsible: Cllr Barker

Tel: 01844 212438

E-mail: Pieter-Paul.Barker@southoxon.gov.uk

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Capita Corporate Services Contract Governance Review

Recommendation(s)

It is recommended that Joint Committee note the following changes to the governance structure of the Capita contract:

- 1) **Joint Committee to meet annually, down from quarterly currently. The Committee, whilst not being a formal decision-making body, provides budgetary oversight and continues the spirit of partnership working whilst keeping Members informed on the contract.**
- 2) **Strategic Management Board (SMB) to meet annually or as required during the year. The process for obtaining SMB approval on important strategic matters that cannot wait until the annual meeting to be fully set out in a redrafted Inter Authority Agreement (IAA).**
- 3) **Joint Tactical Board (JTB) and Operational Management Board (OMB) to meet quarterly, with virtual sign off on change controls as required in between meetings. The mechanism to agree matters in between meetings to be set out in a redrafted IAA.**
- 4) **Service Improvement Group (SIG) to continue to meet monthly, with the option to include the Land Charges Service Group in the monthly meetings as the HMLR project moves into its main delivery phase.**
- 5) **IT Strategy Board and IT Operational Board meetings to continue without change.**
- 6) **The Commercial Director to take on the strategic lead for all client team staff.**
- 7) **All the above changes to be incorporated into a redrafted IAA. This will also capture the Section 151 officers truing up agreement, the ongoing arrangements regarding the Zellis payroll bureau and software contract and how Somerset Council and East Hants are accommodated within the contract or otherwise moving forward.**

Purpose of Report

1. The purpose of this paper is to set out proposed changes to the governance of the Capita contract.
2. The governance structure embedded in the Capita contract and the IAA between the authorities reflected the original scope of the contract and provided for a potential future expansion of the contract encompassing other authorities and services. It also provided for the "lot 2 services" to be delivered by Vinci.

3. The Vinci contract was terminated back in 2018 and the Capita contract has reduced in size and scope since its inception in 2016. The contract now consists of Revenues & Benefits, Land Charges and IT for all authorities, and Customer Services for just a few of the authorities.
4. Following a meeting of the Chief Executives, a review of the governance has been undertaken and this paper sets out recommendations to streamline it.
5. This paper has been reviewed by the 5 Councils Monitoring Officers and the contract external legal advisor. It has been shared with the Capita contract leads who are supportive of the changes.
6. It has been considered and approved by JTB and SMB.

Strategic Objectives

7. The review of governance arrangements for the Capita Corporate Services contract is key to ensuring the continuation of the inter authority partnership through appropriate decision making processes.

Background

8. It is proposed that EHDC representatives will continue to attend the OMB so that they can be briefed on contract developments, with EHDC's S151 and Monitoring officers still being invited to the monthly meetings of these officer groups. These meetings are non-decision-making groups and will enable East Hants to be consulted as appropriate.
9. Consideration will also need to be given to how Somerset Council is represented following vesting day in April 2023 as the current levels of senior officer involvement will not be appropriate for a Unitary authority of Somersets size. To ensure appropriate levels of officer representation, the redrafted IAA will need to be worded in such a way that senior officers can delegate as appropriate for the attendance of key meetings.

Financial Implications

10. There are no financial implications arising from this report.

Legal Implications

11. The proposed changes will be subject to formal approval by each authority.
12. A project will commence to fully redraft the current iteration of the IAA. This will capture all governance changes and will also incorporate a number of other key changes that are arising over the coming months. These are, most notably, the agreement between the S.151 officers on revised apportionment figures following the conclusion of the 'Truing Up' exercise, the ongoing arrangements regarding the Zellis payroll bureau and software contract and the accommodation of EHDC within partnership governance in light of the separation occurring between them and Havant.

13. In consultation with the authorities Monitoring Officers, the External Solicitor will lead on the redrafting of the IAA to incorporate all changes listed above.

Risks

14. There is a need to ensure that decisions on the contract are taken in a timely manner. Reducing the frequency of meetings could impact on that timeliness. This risk has been mitigated by enabling the CRD to call an urgent meeting of SMB or JTB and also ensuring that decisions can be made virtually, between meetings, with the decision then being captured in the formal minutes of the subsequent meeting. SMB

Conclusion

15. This review will streamline the governance of the Capita contract to enable authorities to make best use of their staff resources yet will still provide effective oversight and management of the contract. The revised structure is appended to this paper.

Background Papers

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