

**PETERBOROUGH SERCO STRATEGIC PARTNERSHIP CONTRACT AMENDMENTS**

**COUNCILLOR DAVID SEATON, CABINET MEMBER FOR RESOURCES**

**MARCH 2018**

**Deadline date: 31 MARCH 2018**

Cabinet portfolio holder: Responsible Director:	Councillor David Seaton, Cabinet Member for Resources Marion Kelly, Interim Corporate Director: Resources
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/ 28NOV16/ 02
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES. Exempt Annex 1 is exempt by reason of paragraphs 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which should not be made publicly available. The public interest test has been applied to the information contained within the Exempt Annex 1 to this report and it is considered that the need to retain this information as exempt outweighs the public interest in it.
Is this a project and if so has it been registered on Verto?	NO

**RECOMMENDATIONS**

The Cabinet Member is recommended to:

1. Authorise entering into a number of Notice of Change (NoC) arrangements with Serco Limited to vary the Council's Peterborough Serco Strategic Partnership (PSSP) Contract. These changes amend and update a number of partnership wide service delivery specifications to more accurately reflect the current operation of the partnership following developing needs across services since the partnership's inception.

## 1. SUMMARY OF MAIN ISSUES

- 1.1 The Council and Serco Limited entered into the Peterborough Serco Strategic Partnership (PSSP) on 25 November 2011 for the provision of a range of services. This report seeks the Cabinet Member's approval of the recommendations to enter into the stated Notice of Changes to update the arrangements for the delivery of those services to ensure that the Contract continues to offer the best approach for the Council across a number of services and represents best value for money.

## 2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Resources to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (p).
- 2.2 The attached Exempt Annex 1 is NOT FOR PUBLICATION in accordance with paragraphs 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest test has been applied to the information contained within Exempt Annex 1 and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so would disclose sensitive contractual information in relation to the PSSP.

## 3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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## 4. DETAILS OF DECISION REQUIRED

- 4.1 The Notice of Change (NoC) amendments to be approved impact on a variety of different areas of service delivery across the Council and fall within the scope of the contract. These are as follows:

### **Shared Transactional Services**

NoC 45 - Car Parking volumetric review

NoC 54 – Increased Council Tax collection

### **Customer Services**

NoC 7a - Family Information Services (FIS) and Children's Disability Register (CDR) Services

NoC 23a - Continuation of temporary suspension of KPI's –Customer Service Centre

NoC 25 - Deletion and amendment of Customer Service KPI's following the introduction of the Customer Relationship Management (CRM) system

NoC 46 - Adult Social Care complaints volumetric review

The specific details for each NoC are shown within the exempt annex due to the commercial sensitivity of contractual information for the PSSP.

## 5. CONSULTATION

- 5.1 As part of the decision, consultation was undertaken with the relevant Service leads within the Council and the respective heads of service delivery within Serco, as well as the respective legal services for both the partner and the Council.

## 6. ANTICIPATED OUTCOMES

- 6.1 To enter into the stated Notice of Changes with Serco Limited to vary the PSSP Contract to ensure that arrangements for delivery of services to the Council offers the best approach for the Council's requirements.

## 7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 It's been required to make the above changes due to service requirements changing within PSSP contract, specifically within customer services and shared transactional services. The reason changes were not put in place (and authority requested) in advance, were due to lengthy discussions between the partner and the Authority to determine appropriate amendments to the service. A retrospective effective date was mutually agreed by both parties for each specific NoC.

## 8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The alternative option is to do nothing which will result in the following:

- A decrease in car parking enforcement and a reduction fines issued and revenue collected.
- A shortfall in resource to recover council tax which will have a direct detrimental effect on the Council's financial position. It would also impact on the partnership's target to improve its overall collection rate performance.
- Inadequate customer service delivery supporting the Adult Social Care team and dealing with service user complaints.

## 9. IMPLICATIONS

### 9.1 Financial

- 9.1.1 The below schedule shows the aggregated financial impact (by contract year) of entering into these NoC's:

Notice of Change reference	Contract Years						
	1	2	3	4	5	6	7 Onwards
NoC 07a	-	-	-	-	-	-£21,861	-£65,584
NoC 45	£27,901	£34,093	£20,598	£37,327	£28,142	£24,851	£24,000
NoC 46	-	-	-	£17,932	£19,562	£19,562	£19,562
NoC 54	-	-	-	-	£62,402	£109,159	£109,159
<b>Total Impact</b>	<b>£27,901</b>	<b>£34,093</b>	<b>£20,598</b>	<b>£55,259</b>	<b>£110,106</b>	<b>£131,711</b>	<b>£87,137</b>

- 9.1.2 NoC 23a and 25 have a zero financial impact. NoC 46 reflects an annual increase of £19,562 to the core contract fee. However, to date, the Authority has been incurring these costs through the variable invoicing process. Therefore, apart from an uplift of £6,344 from £13,218 to £19,562, this change will be offset by an equal and opposite reduction in the costs charged as part of the variable invoicing process. Any costs relating to prior years that are identified

in the above table have been fully accrued for, ensuring that there is no additional costs in the current financial year.

## **9.2 Legal & Procurement**

- 9.2.1 The PSSP Contract was awarded to Serco Limited under the Public Contracts Regulations 2006, following an OJEU procurement process. The proposed variations to the PSSP Contract to be made by entering into these Notices of Change is subject to Regulation 72 of the Public Contracts Regulations 2015, which sets out what modifications to an OJEU procured contract are permitted.
- 9.2.2 Advice from Legal Services has been obtained in relation to the proposed variations, in accordance with the Council's Contract Rules, in respect of Regulation 72 of the Public Contracts Regulations 2015.

## **10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

- 10.1 None.

## **11. BACKGROUND DOCUMENTS**

- NoC 7a - Family Information Services (FIS) and Children's Disability Register (CDR) Services
- FIS Service Specification – final v5
- NoC 23a - Continuation of temporary suspension of KPI's –Customer Service Centre
- NoC 25 - Deletion and amendment of Customer Service KPI's following the introduction of the Customer Relationship Management (CRM) system
- NoC 025 - Schedule 11 Appendix A revised.xlsx
- NoC 45 - Car Parking volumetric review
- Parking NoC 45 volumetric up to Year 6 - Appendix 1 Impact on ASP.xlsx
- NoC 46 - Adult Social Care complaints volumetric review
- NoC 54 – Increased Council Tax collection