



## NOTICE OF MEETING

<b>Meeting:</b>	<b>Cabinet</b>
<b>Date and Time:</b>	<b>Thursday, 21 January 2016 at 7pm</b>
<b>Place:</b>	<b>Council Chamber, Civic Offices, Fleet</b>
<b>Telephone Enquiries to:</b>	<b>01252 774141 (Mrs G Chapman)</b> <a href="mailto:gill.chapman@hart.gov.uk">gill.chapman@hart.gov.uk</a>
<b>Members:</b>	<b>Burchfield, Crampton, Crookes, Forster, Gorys, Kennett, Morris, Parker (Chairman)</b>

Joint Chief Executive

CIVIC OFFICES, HARLINGTON WAY  
FLEET, HAMPSHIRE GU51 4AE

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### **AGENDA**

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AND BRAILLE ON REQUEST**

#### **1 MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of 7 January 2016 are attached to be confirmed and signed as a correct record. **Paper A**

#### **2 APOLOGIES FOR ABSENCE**

#### **3 CHAIRMAN'S ANNOUNCEMENTS**

#### **4 DECLARATIONS OF INTEREST**

To declare disclosable pecuniary or any other interests.

## **5 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)**

## **6 JOINT PROCUREMENT OF SERVICES**

To recommend to Council the commissioning of a range of services, including both 'soft services' such as revenues and benefits and a range of 'back office services' (Lot 1) and 'hard services' such as Facilities Management, Property and Car Parks (Lot 2).

### **RECOMMENDATIONS**

That Cabinet agree to the outsourcing of Lot 1 and Lot 2 services on the following basis:

- A. Designates Capita as the preferred bidder for Lot 1 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder, to implement services earlier as set out in 5.6
- B. Designates Vinci as the preferred bidder for Lot 2 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder for Corporate Services, to implement services earlier as set out in 6.6
- C. Authorises the Joint Chief Executive in consultation with the Portfolio Holder for Corporate Services, to agree final terms to enter into the contracts referred to in A and B and authorises the Solicitor to the Council to, following this, enter into contracts and make any other necessary agreements.
- D. Agrees to enter into an Inter Authority Agreement (IAA) with the four partner councils substantially in the form attached (Appendix 1) and delegates to the Joint Chief Executive authority to finalise the terms of the agreement and to enter into the agreement
- E. Agrees to the establishment of a joint client team, based on the principles established (Appendix 2), and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to seek any minor changes to the client team arrangements as necessary .

### **RECOMMENDATIONS to Council**

- F. The establishment of a Joint Committee in accordance with the details outlined in Appendix 3 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to be authorised to seek any minor changes to the Joint Committee terms of reference as necessary and be delegated to sign this agreement on behalf of the Council.
- G. The establishment of a Joint Overview and Scrutiny Committee with details outlined in Appendix 4 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, be

authorised to seek any minor changes to the Joint Overview and Scrutiny Committee terms of reference as necessary and be delegated to sign the agreement on behalf of the Council

- H The Monitoring Officer in consultation with the Chairman of Standards Committee and the Three Group Leaders be delegated to amend the constitution accordingly

## **7 CABINET WORK PROGRAMME**

The Cabinet Work Programme is attached for consideration and amendment.  
**Paper C**

**Date of Despatch: 12 January 2016**

## **CABINET**

**Date and Time:** Thursday, 7 January 2016 at 7pm

**Place:** Council Chamber, Civic Offices, Fleet

**Present:**

## **COUNCILLORS**

Burchfield, Crampton, Crookes, Forster, Gorys, Kennett, Morris, Parker (Chairman)

**In attendance:**

### **Officers:**

Patricia Hughes	Joint Chief Executive
Daryl Phillips	Joint Chief Executive
Phil Turner	Head of Housing

## **90 MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of 3 December 2015 were confirmed and signed as a correct record.

## **91 APOLOGIES FOR ABSENCE**

None received.

## **92 CHAIRMAN'S ANNOUNCEMENTS**

None.

## **93 DECLARATIONS OF INTEREST**

None declared.

## **94 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)**

Emma Molyneux, Chair of Fleet Business Forum and Bob Schofield of Fleet Town Council attended and informed Members of:

- the support of the Fleet Business Forum to the BID,
- the size of the BID area, and
- the resources required to engage with the businesses as part of the feasibility study, as well as the anticipated required funding to take the process to the next stage (£15K) which could take the Forum towards a referendum.
- Elements of the governance that the BID would require

## **95 MEETING LOCAL HOUSING NEED: ALLOCATIONS POLICY**

Members were asked to agree the approach that the Council should pursue where Parish Councils seek local Parish connections on general needs housing developments, and to outline the existing policy approach in dealing with village connection lettings in the context of meeting district wide housing need.

### **RESOLVED**

That the scope of the existing policy be confirmed as set out in the report. General needs sites will deliver housing to meet district wide housing need, and rural exception schemes will facilitate meeting locally identified Parish housing need.

## **96 FLEET BUSINESS IMPROVEMENT DISTRICT**

Agreement was sought to a contribution to Fleet Town Council towards the appointment of consultants to undertake feasibility work for the establishment of a Fleet Town Centre Business Improvement District (BID).

Members discussed a wide range of opportunities and issues including:

- that Hart District Council had already spend £2.5K in providing the rateable value information required at the earliest stages
- That there may be other officer costs, to help during the feasibility stage (as yet unquantified)
- Elements of future costs outlined in the report (Appendix A) could be recouped from the BID (e.g. administration costs)
- That the approach with regards to Charity Shops would need careful consideration
- That officers would need to keep records of all funding expended on this project, to ensure that it could be recouped from the BID
- That an approach could be made to the LEP or LEADER, to seek funding to support the BID
- If further costs are put forward, they are not approved (during the feasibility stage) and would need further approval

### **RESOLVED**

That a contribution of £3,000 be made towards a feasibility study for the establishment of a Fleet BID.

## **97 CABINET WORK PROGRAMME**

The Cabinet Work Programme was considered and amended.

The meeting closed at 20:10

## **CABINET**

**DATE OF MEETING: 21 JANUARY 2016**

**TITLE OF REPORT: JOINT PROCUREMENT OF SERVICES**

**Report of: Joint Chief Executive**

**Cabinet Member: Councillor Burchfield, Portfolio Holder for Corporate Services**

### **I PURPOSE OF REPORT**

- 1.1 To recommend to Council the commissioning of a range of services, including both 'soft services' such as revenues and benefits and a range of 'back office services' (Lot 1) and 'hard services' such as Facilities Management, Property and Car Parks (Lot 2).

### **2 RECOMMENDATIONS**

- 2.1 That Cabinet agree to the outsourcing of Lot 1 and Lot 2 services on the following basis:
- A. Designates Capita as the preferred bidder for Lot 1 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder, to implement services earlier as set out in 5.6
  - B. Designates Vinci as the preferred bidder for Lot 2 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder for Corporate Services, to implement services earlier as set out in 6.6
  - C. Authorises the Joint Chief Executive in consultation with the Portfolio Holder for Corporate Services, to agree final terms to enter into the contracts referred to in A and B and authorises the Solicitor to the Council to, following this, enter into contracts and make any other necessary agreements.
  - D. Agrees to enter into an Inter Authority Agreement (IAA) with the four partner councils substantially in the form attached (Appendix 1) and delegates to the Joint Chief Executive authority to finalise the terms of the agreement and to enter into the agreement
  - E. Agrees to the establishment of a joint client team, based on the principles established (Appendix 2), and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to seek any minor changes to the client team arrangements as necessary .

## 2.2 **RECOMMENDATIONS to Council**

- F. The establishment of a Joint Committee in accordance with the details outlined in Appendix 3 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to be authorised to seek any minor changes to the Joint Committee terms of reference as necessary and be delegated to sign this agreement on behalf of the Council.
- G. The establishment of a Joint Overview and Scrutiny Committee with details outlined in Appendix 4 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, be authorised to seek any minor changes to the Joint Overview and Scrutiny Committee terms of reference as necessary and be delegated to sign the agreement on behalf of the Council
- H The Monitoring Officer in consultation with the Chairman of Standards Committee and the Three Group Leaders be delegated to amend the constitution accordingly

## 3 **BACKGROUND**

- 3.1 At its September 2014 meeting, Cabinet considered a report which gained agreement to testing the market for services based on, wherever possible, a single specification and approval to work towards a shared client team.
- 3.2 Further to this, at its meeting in December 2014, Cabinet also considered and approved the range of services to be market tested, the procurement strategy, and the principles of the governance of the procurement process.
- 3.3 A Steering Group of Senior Managers, supported by a Project Board of the Leaders/Portfolio Holders and chief executives across the Five Councils has therefore been seeking to build on these Cabinet approvals and to set out a way forward for the design of a new service delivery arrangement and potential outsourcing.
- 3.4 There are a number of key choices, which the Council has to make, and a number of factors to take into account, in a decision whether to outsource services. This paper discusses those choices and factors and recommends a route for Cabinet and Council to adopt.
- 3.5 The Steering Group's discussions have been facilitated by additional expert advice from the Councils' specialist consultants, New Networks Limited (Procurement/Commercial) and Sharpe Pritchard LLP (Legal).
- 3.6 Members may recall that the Portfolio Holder for Corporate Services announced at Full Council on the 29<sup>th</sup> October that, recognising the opportunities that can be gained to obtain resilient, professional and cost effective services, East Hampshire District Council had (due to the existing partnership with Havant) added a number of their services in with Havant, increasing volumes.

## **4 THE PROCUREMENT PROCESS**

4.1 In December 2014, Cabinet approved the broad approach to services to be market tested and that, as part of the approved procurement strategy, these would be formed into two core lots. The final services to be market tested for Hart District Council were:

4.1.1 Lot 1

- Council tax, business rates, Council tax discounts and housing benefits
- Finance including exchequer, accountancy and treasury management
- HR and payroll
- IT
- Land Charges
- Procurement support
- Customer Services (reception only)

4.1.2 Lot 2

- Car Parking
- Facilities Management
- Property Management

4.2 Due to the size of the potential contracts (circa £25 million per annum across all the Councils) the process has been subject to EU procurement rules and has been carried out through the competitive dialogue approach.

4.3 This has been an iterative process, starting with a large number of potential contractors, with the numbers being reduced at each stage, with two companies making full and final bids, for each lot, in November (lot 2) and December 2015 (lot1).

4.4 Each stage of the procurement process has been focussed on retaining and improving customer service, whilst increasing value for money. The Procurement Strategy considered by the Project Board, established the key outcomes the Councils wished to achieve for the new services and this was built into many areas of the invitation to tender including customer service, health and safety and quality assurance. Tenderers were required to submit service delivery plans which were compared to these outcomes, upon which the evaluation matrix was established, scoring 0-5, 5 being exemplary, 2 being the minimum acceptable and 1 being unacceptable without further improvement (details are provided in Appendix 5). During the life of the contract the operator will be monitored to ensure that the contractual standards are always attained or improved upon.

## **5 LOT 1 SERVICES**

5.1 The broad majority of the lot 1 services outlined above are already outsourced, to Capita, with a contract expiry in October 2017.



- 5.2 The only two additional services that have been included in the process for Hart have been land charges and procurement support, which currently equates to a small staffing resource, which is discussed further in the report to Staffing Committee (see Appendix 8). The comments from Staffing Committee will be reported to Cabinet, once this Committee has met to consider the report on the 18<sup>th</sup> January.
- 5.3 Whilst the market recognised the potential risk of working with a client that consisted of five separate Councils, there was a high level of interest in the provision of these services, in the market, due to the size of the contract, at over £20 million per annum (for Lot 1).
- 5.4 Having received the full and final tenders, this shows that against current spend for Lot 1, there are savings to Hart of circa £200K in year 1, and the costs of the services at the end of the contract will be 43% cheaper than current, providing an overall saving of 27% over the contract term.
- 5.5 A short summary of the bid from Capita is set out in Appendix 6 and details of the financial offer are held in Appendix 7. In addition to the details outlined in the appendices, Capita have established a mechanism that should further Councils be encouraged to work from the same 'platform', this could lead to a further cost reduction to the Councils.
- 5.6 For Hart, if Cabinet approve the appointment of Capita as the preferred bidder, all new services will, at the latest, start in October 2017. Dependant on any potential exit costs associated with the current contract, or for those elements of service currently in-house, it is possible that it would be best value for the Council to enter into dialogue with the contractor to bring forward (from October 2017) implementation of some or all of the services.

**Recommendation A: That Cabinet designates Capita as the preferred bidder for Lot 1 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder, to implement services as set out in 5.6**

## **6 LOT 2 SERVICES**

- 6.1 Lot 2 services are currently already provided by a 'mixed market' of internal and external suppliers.
- Car parking management and administration is provided by an in-house team
  - Facilities Management services are provided by Kier (through a framework agreement with Hampshire County Council) with additional support provided on an ad-hoc basis by Pegasus Services. The Council also employs Stewards.
  - Property management services are provided by Capita with a contract expiry in October 2017

- 6.2 The Council decided the best way to establish whether outsourcing would be financially beneficial, was to test the market. Throughout the dialogue, the Councils have been clear that there are areas where the bidders could look at opportunities to reduce costs or increase income, such as reduced utility spend or enhanced levels of rented property. The Councils were also clear that there were other areas that would remain vested in the control of the Councils individually, such as the setting of parking charges.
- 6.3 Having received the full and final tenders, this shows that against current spend for Lot 2 there are savings of £58K in year 1, exit costs will be 25% lower than current, providing an overall saving of 15% over the contract term. Details of the two bids are outlined in Appendix 6.
- 6.4 Due to the nature of the procurement approach, the Council must choose to opt into Lot 2 in its entirety or not at all. A short summary of the offering from Vinci is captured in Appendix 6 and details of the financial offer are in Appendix 7. In addition to the details outlined in the appendices, Vinci have also established a mechanism that should further Councils be encouraged to work from the same 'platform', this could lead to a further cost reduction to the Councils.
- 6.5 The Council has a legal requirement to continually consider best value for money. As part of this, Appendix 7 also sets out what the financial position would be, were the Council to retain the current mixed market of services. It is clear that the Council could continue to use its own in-house team for car parking, as well as other existing suppliers however, whilst recognising the specifications require a high level of service, the financial difference between retaining existing services and outsourcing is over £300K.
- 6.6 Should Cabinet approve the designation of Vinci as the preferred bidder for Lot 2, due to multi-faceted nature of the current provision, implementation is likely to be phased based on whether the service is currently provided in-house, the appropriate level of notice each supplier requires (where the contract is annual or roll on/roll off) or with a formal contract expiry. Once again, it is possible that it would be best value for the Council to enter into dialogue with the contractor to bring forward implementation of some or all of the services.

**Recommendation B: That Cabinet designates Vinci as the preferred bidder for Lot 2 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder, to implement services earlier as set out in 6.6**

**Recommendation C: That Cabinet authorises the Joint Chief Executive in consultation with the Portfolio Holder, to agree final terms to enter into the contracts referred to in recommendation A and B and authorises the Solicitor to the Council to, following this, enter into the contracts and make any other necessary agreements.**

## **7 INTER AUTHORITY AGREEMENT**

- 7.1 The Council entered into an Inter Authority Agreement to ensure the effective delivery of the procurement phase of this project. This agreement established several key principles including the creation of a multi authority project team, lead by a senior officer from each Council to ensure that the project delivered effectively whilst providing an opportunity to advocate for their own council, if required. The officers were supported by a Leader/Portfolio Holder and chief executive Project Board.
- 7.2 Should the Council approve the outsourcing, for the good governance of the future partnership of the Councils working collaboratively together, a new Inter Authority Agreement will provide clarity on how and where decisions will be made throughout the contract term, how costs and benefits will be shared and how disputes between the Councils will be resolved. Details of the IAA are outlined in Appendix 1

**Recommendation D: That Cabinet agrees to enter into an Inter Authority Agreement (IAA) with the four partner councils substantially in the form attached (Appendix 1) and delegates to the Joint Chief Executive authority to finalise the terms of the agreement and to enter into the agreement**

## **8 JOINT CLIENT TEAM**

- 8.1 Should the Council outsource, it would still retain some elements of costs. This will include joint client management costs, a principle agreed by Cabinet in September 2014, to ensure effective management of the contract, as well as the transfer of some resources (which sit outside the specifications) to meet our policy and strategy requirements which will help identify the IT and HR strategies that will continue to support the Councils' corporate priorities.
- 8.2 The IAA sets out details of the mechanism for contributions to pay for the joint client team based on the percentage of the Lot 1/Lot 2 contract costs are being paid by that Council. Further details regarding the operation of the Joint Client Team are set out in Appendix 2
- 8.3 These costs have been included in the financial information set out in Appendix 7.

**Recommendation E: That Cabinet agrees to the establishment of a joint client team, based on the principles established (Appendix 2), and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to seek any minor changes to the client team arrangements as necessary .**

## **9 JOINT COMMITTEE**

- 9.1 As part of this proposal, the officer recommendation is that Cabinet recommend to Council, the establishment of a Joint Committee, replacing the existing Project

Board of Leaders/Portfolio Holders and chief executives, to ensure a strategic approach to the management of these contracts, addressing issues that may be common across all councils and bring a consistency of approach from all Councils in the partnership. The arrangement should also lead to more effective ways of working with the provider and partner authorities.

- 9.2 A Combination Agreement setting out the legal framework for the operation of a Joint Committee would need to be signed by the relevant parties. The Joint Committee would also have Terms of Reference setting out its governance structures and procedures for its strategic activity across all the councils. Each council would be represented through the relevant Portfolio Holders, supported by a senior manager. Details of the draft terms of reference for the Joint Committee are set out in Appendix 3.

**Recommendation F: That Cabinet agrees to the establishment of a Joint Committee in accordance with the details outlined in Appendix 3 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to be authorised to seek any minor changes to the Joint Committee terms of reference as necessary and be delegated to sign the agreement on behalf of the Council.**

## **10 JOINT OVERVIEW AND SCRUTINY COMMITTEE**

- 10.1 Should Council approve the creation of a Joint Committee, then it is also a recommendation, that a Joint Overview and Scrutiny Committee is formed. This Committee, with representatives from each authority would be established to scrutinise decisions of the Joint Committee as well as to act as a consultative body in relation to new or changed policies or services and monitor and review performance. Draft terms of reference are outlined in Appendix 4

**Recommendation G: That Cabinet agrees to the establishment of a Joint Overview and Scrutiny Committee with details outlined in Appendix 4 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, be authorised to seek any minor changes to the Joint Overview and Scrutiny Committee terms of reference as necessary and be delegated to sign the agreement on behalf of the Council**

- 10.2 The arrangements outlined in recommendation F and G do necessitate an amendment to the Councils constitution, hence recommendation H seeks to make those necessary amendments.

**Recommendation H: That the Monitoring Officer in consultation with the Chairman of Standards Committee and the Three Group Leaders are delegated to amend the constitution accordingly**

## **11 STAFFING IMPLICATIONS**

- 11.1 There are a number of staff who are within scope as part of this potential outsourcing. As a result, the Joint Chief Executive has taken the opportunity to engage both with Unison and the staff themselves (either at team meetings or on an individual basis) to keep them informed of the process.
- 11.2 The staff in scope as part of this joint procurement fall into two categories; those that may be subject to TUPE transfer to a new service provider and those that may be transferred to the joint client team and remain employees of their respective Councils, in the first instance, but may be transferred to another partner council in time.
- 11.3 In accordance with the Councils TUPE guidance and Policy, the Staffing Committee considered the report outlined in Appendix 8. Recommendations of the Committee being held on the 18<sup>th</sup> January, will be reported to Cabinet to help inform their decision.

## **12 FINANCIAL IMPLICATIONS**

- 12.1 The delivery of the Project represents excellent value for money. Further details are contained within the body of this report, and appendix 7. Projecting over 9 years the Contract is estimated to deliver savings to the tax payer across all 5 Councils of £50.65m; whilst delivering a broad range of services in Lot 1 and 2.
- 12.2 The financial models are based on three criteria to ensure savings are delivered throughout the life of the contract. The impact for Hart District Council under each criteria is as follows:

### **Initial saving against baseline - Year 1**

- Lot 1 saving £0.219m (10.3%)
- Lot 2 saving £0.058m (10.0%)

### **Overall financial benefit against the base budget across the period of the Contract**

- Lot 1 saving £4.666m (27.4%)
- Lot 2 saving £0.696m (15.0%)

### **Operational Cost Reduction at Hand Back (contract end)**

- Lot 1 saving £0.922m (43.3%) against the Hart budget for 2015/16
- Lot 2 saving £0.145m (25.0%) against the Hart budget for 2015/16

- 12.2 Hart District Council has, amongst all the Councils, the smallest current client team. It was always understood, that the additional complexity of 5 councils, across 2 Lots and over 10 services, with new performance payment mechanisms, was likely to lead to an uplift in costs of the client, to Hart.

- 12.3 In line with the approach taken on the apportionment of financial savings (i.e. that the financial savings from the bids is the sum of its part rather than individualized financial packages per Council) it is proposed that the overall costs of the Joint Client team is applied to the individual Councils on the basis of their allocation of the baseline figures.
- 12.4 For Hart District Council in year 1-3, this cost is £117K. In year 3, when the services have reached the target operating model and the client team is reduced, this cost is anticipated to reduce to £74K.
- 12.5 Against a total saving of £5.36 million (across Lot 1 and Lot 2 across the 9 years of the contract), the worst case impact of the increased level of client costs, reduces this total figure to £4.66 million.
- 12.6 In addition to the above, Capita currently pay £25K per annum for the office accommodation at Hart. If identified as the preferred bidder, discussions will continue regarding where services will be provided. However, a principle which was agreed, early on in the process, was that we would not charge bidders for accommodation within any council buildings (as these costs would be recycled into the bid price). The impact to Hart's revenue stream is £225K over the 9 year contract, however, this is independent of any decision on either bidder.

### 13 LEGAL AND EQUALITY IMPLICATIONS

13.1 **Legal implications:** Officers asked all bidders to confirm their acceptance of the contract terms and all bidders substantially confirmed this. Various derogations were agreed in dialogue and where further derogations were made in the submission of final tenders these have been taken into account in evaluation. These points will be further clarified with each preferred bidder. Therefore, it is not anticipated that there will be any additional issues encountered to prevent the signing of the contracts once awarded. The principal contractual derogations and any risk associated with them are set out in appendix 9 (confidential).

#### 13.2 **Equality implications:**

13.2.1 **Lot 1 – Capita:** Having considered the impact on residents and staff with protected characteristics, it is the council's view that the overall impact on the council's ability to eliminate discrimination and advance equality of opportunity is likely to be positive. There is likely to be a neutral impact on our ability to foster good relations between people who share a protected characteristic and people who do not share it.

The councils believe that the service and employment changes for Capita are compatible with the rights under the Convention of Human Rights.

13.2.2 **Lot 2 – Vinci:** Having considered the impact on residents and staff with protected characteristics, it is the council's view that the overall impact on the council's ability to eliminate discrimination and advance equality of opportunity is likely to be positive for residents and neutral for staff. There is

likely to be a neutral impact on our ability to foster good relations between people who share a protected characteristic and people who do not share it.

The councils believe that the service and employment changes for VINCI are compatible with the rights under the Convention of Human Rights.

## **14 NEXT STEPS**

14.1 If the Council is minded to accept these recommendations, the Councils working collaboratively can seek to clarify any outstanding questions with the preferred bidders with a view to signing the contracts with Capita and Vinci to enable a suitable 'mobilisation' period both for the operators and the Councils, so as to ensure a safe transfer of services, from the 1<sup>st</sup> August.

14.2 Assuming the Council decides to go ahead, next stages of work would include:

Finalise joint client structure and appoint to Manager role	February 2016
Sign contracts for Lot 1 and Lot 2	April 2016
Confirmation of Joint Client team and any additional transitional resources	April 2016
Finalise arrangements for the Joint Committee and Joint Overview and Scrutiny	Summer 2016
First services are delivered (to South Oxfordshire and Vale of the White Horse, with the potential for certain Hart services to come forward)	August 2016
All remaining Hart services transferred to new providers	October 2017

## **15 CONCLUSIONS**

15.1 This report sets out the findings of the procurement process that Cabinet approved in 2014, working with a group of other authorities. It shows a significant benefit to the 'public purse'. Cabinet is asked to approve the outsourcing of services encompassed by Lot 1 and Lot 2, and entering into Joint Client and Inter Authority Agreements. Cabinet is also asked to recommend to Council the establishment of a Joint Committee and Joint Overview and Scrutiny Committee, to ensure the effective management and oversight of these services.

**CONTACT:** Patricia Hughes, Joint Chief Executive, x4450, [patricia.hughes@hart.gov.uk](mailto:patricia.hughes@hart.gov.uk)

**APPENDICES /CONFIDENTIAL APPENDICES**

Appendix 1 – IAA

Appendix 2 – Joint Client Team

Appendix 3 – Joint Committee terms of reference

Appendix 4 – Joint Overview and Scrutiny terms of reference

Appendix 5 – Evaluation Matrix

Appendix 6 – Short Summary of the Capita and Vinci Bids (Confidential)

Appendix 7 – Summary of the financial offer from both Lot 1 and Lot 2 (Confidential)

Appendix 8 – Report to Staffing Committee (Confidential)

Appendix 9 – Report on contractual derogations (Confidential)

Appendix 10 – Equalities Impact Assessment (Confidential)

**BACKGROUND PAPERS:**

Cabinet Reports on the Joint Procurement in September and December 2014



DATED

2016

;

**HART DISTRICT COUNCIL;**

**HAVANT BOROUGH COUNCIL;**

**MENDIP DISTRICT COUNCIL**

**SOUTH OXFORDSHIRE DISTRICT COUNCIL;**

and

**VALE OF WHITE HORSE DISTRICT COUNCIL**

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**INTER AUTHORITY AGREEMENT**

**relating to the corporate services contracts procured  
following a joint procurement undertaken by the  
Councils**

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**SHARPE PRITCHARD  
ELIZABETH HOUSE  
FULWOOD PLACE  
LONDON  
WC1V 6HG**

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**INTER AUTHORITY AGREEMENT**

**A DEED DATED**

2016

**PARTIES**

- (1) **HART DISTRICT COUNCIL** of Civic Offices, Harlington Way, Fleet, Hampshire GU51 4AE (subsequently referred to as "Hart");
- (2) **HAVANT BOROUGH COUNCIL** of Public Services Plaza, Civic Centre Road, Havant, Hampshire PO9 2AX (subsequently referred to as "Havant");
- (3) **MENDIP DISTRICT COUNCIL** of Council Offices, Cannards Grave Road, Shepton Mallet, Somerset BA4 5BT (subsequently referred to as "Mendip")
- (4) **SOUTH OXFORDSHIRE DISTRICT COUNCIL** of 135 Eastern Avenue Milton Park Milton OX14 4SB (subsequently referred to as "South Oxfordshire");
- (5) **VALE OF WHITE HORSE COUNCIL** of 135 Eastern Avenue Milton Park Milton OX14 4SB (subsequently referred to as "Vale");

(together the "Parties").

**RECITALS**

- (A) On [ ] 2015, the Parties placed a joint contract notice in the Official Journal of the European Union, seeking expressions of interest from providers for corporate services to be provided to the Parties (the "Corporate Services").
- (B) Following the procurement exercise, the Parties decided to award the contracts to [ ] (Company Registration No. [ ]) of [ ] (the "Lot 1 Supplier") and [ ] (Company Registration No. [ ]) of [ ] (the "Lot 2 Supplier". Those contracts were entered into on [ ].
- (C) The Parties wish to continue with the joint approach that they have taken with the procurement in order to ensure that the Corporate Service Contracts have a single point of management and that the Mutual Aims are achieved. To that end the Parties have established the Joint Committee.
- (D) To achieve their desired result the Parties wish to enter into this agreement in order to define the governance of their relationship and in order to set out the joint approach they will take in the management of the Corporate Services Contracts.

**1. DEFINITIONS AND INTERPRETATION**

**1.1. Definitions**

In this IAA, unless the context otherwise requires the following terms shall have the meanings given to them below:

Ad Hoc Reviews	means the reviews conducted in accordance with clause 9;
Contract Manager	means the person appointed to this role in accordance clause 5.1
Contributions	means the amounts to be paid by the Parties in accordance with clause 12 and Schedule 8
Corporate Services Contract(s)	means the contract(s) (together with their schedules) dated [ ] that the Parties have entered into with the

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	Lot 1 Supplier and/or the Lot 2 Supplier for the provision of the Services
Deputies	means those persons appointed to in accordance with clause 5.3
Dispute Resolution Procedure	means the procedure for the resolution of disputes set out at clause 13;
Effective Date	means the date of the Corporate Services Contracts;
Expiry Date	means the date which is defined in the Corporate Services Contracts as being the end of the “Term”;
IAA	means this inter authority agreement (including its schedules);
IAA Commencement Date	means the date of this IAA;
Joint Committee	means the joint committee established under [section 101(5) of the Local Government Act 1972 and section 20 of the Local Government Act 2000] by the parties to be responsible for the management of the Corporate Services Contract, the terms of reference of which are set out at Schedule 1
Joint Scrutiny Committee	means the joint committee established under [section 101(5) of the Local Government Act 1972 and section 20 of the Local Government Act 2000] by the parties to be responsible for the overview and scrutiny of the Joint Committee management of the Corporate Services Contract, the terms of reference of which are set out at Schedule 2
Lot 1 Supplier	means [insert name of successful bidder] (Company Registration No. [ ] of [ ]);
Lot 2 Supplier	means [insert name of successful bidder] (Company Registration No. [ ] of [ ]);
Mutual Aims	means the shared objectives of the Parties as set out in Schedule 3 of this IAA;
Project	means the Corporate Services Contracts and the delivery of the Services
Project Strategic Group	means the body established under clause 8;
Representative	means a person (or their nominated deputy) appointed by each party to represent them at meetings of the Project Strategic Group
Review	means the activity described in clauses 8 and 9;

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Review Notice	means the notice as described in clause 9;
Review Procedure	means the procedure for review set out at clauses 8 and 9;
Service Charges	means the amounts payable by the Parties to the Suppliers in consideration of the Services pursuant to Schedule 7.1 of each of the Corporate Services Contracts
Service Levels	means those service levels identified and defined in the Corporate Services Contracts
Services	those services provided under the Corporate Services Contracts by the Suppliers
Supplier(s)	means the Lot 1 Supplier and/or the Lot 2 Supplier
Transition Lead	means an officer of the applicable Party with the appropriate skills and experience to contribute to the planning of the Transition Phase implement and co-ordinate such actions as may be necessary to ensure that the requirements of the Transition Phase are successfully delivered
Transition Phase	means the period of the Project in which changes to the ways in which Services are delivered by the Suppliers take place in accordance with the Corporate Services Contracts and the requirements of the Transition Phase are to ensure that the savings and efficiencies to be delivered by changes to the delivery of the Services are achieved

### 1.2. Interpretation

In this IAA, except where the context otherwise requires:

- 1.2.1. the masculine includes the feminine and vice-versa;
- 1.2.2. the singular includes the plural and vice-versa;
- 1.2.3. a reference in this IAA to any clause, sub-clause, part, paragraph, schedule, appendix or annex is, except where it is expressly stated to the contrary, a reference to such clause, sub-clause, paragraph, schedule, appendix or annex of this IAA;
- 1.2.4. save where stated to the contrary, any reference to this IAA or to any other document shall include any permitted variation, amendment, or supplement to such document;
- 1.2.5. any reference to any enactment, order, regulation or other similar instrument shall be construed as a reference to the enactment, order, regulation or instrument (including any EU instrument) as amended, replaced, consolidated or re-enacted;
- 1.2.6. headings are for convenience of reference only;
- 1.2.7. words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words;

- 1.2.8. any obligation on a Party to do any act matter or thing includes, unless expressly stated otherwise, an obligation to procure that it is done; and
- 1.2.9. subject to any express provisions to the contrary, the obligations of either Party are to be performed at that Party's own cost and expense
- 1.2.10. words and expressions beginning with capital letters which are not defined above have the meanings given to them in the Corporate Services Contracts

**2. COMMENCEMENT AND DURATION**

- 2.1. This IAA will commence from the Effective Date of the Corporate Services Contracts and continue in full force and effect until:
  - 2.1.1. the Expiry Date of the Corporate Services Contracts; or
  - 2.1.2. if one Corporate Services Contract is subject to early termination, the Expiry Date of the surviving Corporate Services Contract; or
  - 2.1.3. if both Corporate Services Contracts are subject to early termination, the Termination Date of the second of the Corporate Services Contracts to be terminated(whichever date is the earlier). Notwithstanding the Expiry or early termination of the Corporate Services Contracts or either of them, clauses [3 ] to [13 ] of this Agreement shall remain in force until all outstanding issues and any disputes arising out of the Corporate Services Contracts or either of them have been resolved.
- 2.2. If the term of either or both of the Corporate Services Contracts are extended in accordance with clause 4 of those contracts, the term of this IAA shall be extended until the expiry of any Extension Period
- 2.3. Any Party which exercises its right to terminate both of the Corporate Services Contracts under clause 33.1(a) or 33.1(b) in circumstances where Corporate Services Contract remains in force shall cease to be a Party to this Agreement. If a Party exercises its right to terminate one of the Corporate Services Contracts in accordance with these clauses it shall cease to participate in this Agreement insofar as it relates to the Corporate Services Contract to which it is no longer a party.

**3. EFFECT OF THE IAA**

Nothing in this IAA shall serve to obviate, reduce or otherwise affect the Corporate Services Contracts or the Parties' rights and obligations under the Corporate Services Contracts.

**4. ACTING IN GOOD FAITH AND REASONABLY**

- 4.1. All the Parties agree to act in good faith and reasonably to:
  - 4.1.1. resolve any difficulties between themselves openly, quickly and honestly, before any such issues have a negative impact on the operation of this IAA or any of the Corporate Services Contracts;
  - 4.1.2. provide information to each other that will (or could) impact upon the obligations, rights and liabilities of any other Party to this IAA or to the Supplier; and
  - 4.1.3. mitigate any losses, costs or expenses incurred as a result of the application or breach of this IAA.
- 4.2. The Parties shall act at all times in a way that promotes effective partnership working. In particular, each Party will:

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- 4.2.1. work in good faith with the other Parties towards the mutual advantage of the Parties;
- 4.2.2. provide such reasonable information (as determined by the Party from whom the information is sought) to each of the other Parties in a form that is readily usable and in a full and timely manner. Relevant information shall include, without restriction or limitation:
  - 4.2.2.1. early warning of any potential failure by a Party or the Supplier in meeting their obligations under one or both of the Corporate Services Contracts where such failure might impact on the delivery of the Services to any other Party or where that potential failure might be indicative of the Supplier having committed a Default (as such term is defined in the Corporate Services Contracts) under the Corporate Services Contract(s);
  - 4.2.2.2. details of any actual failure by a Party or the Supplier in meeting their obligations under the Corporate Services Contracts;
  - 4.2.2.3. any other information that could reasonably be expected to impact upon this IAA, the Parties to this IAA, or the delivery of the Services under the Corporate Services Contracts (or any of them).
- 4.2.3. co-operate in identifying, as early as reasonably possible, any issues or problems which will or may tend to prevent the achievement of the Mutual Aims and to reach and implement solutions to overcome such issues or problems and the identification and resolution of such issues and problems shall be a matter for the Project Strategic Group, or in the event that the Project Strategic Group are unable to agree, a matter for the Joint Committee.

### 5. **CONTRACT MANAGER**

- 5.1. The Parties shall appoint the Contract Manager. The Contract Manager shall have the powers and authority delegated to him/her by the Joint Committee to take steps on behalf of all the Parties as set out at Schedule 4.
- 5.2. [The Contract Manager shall have power to exercise the powers of the Contract Manager under the Corporate Services Contracts including the right to make deductions under the Payment Mechanism and to issue warning notices.] [DN: This clause can be moved to Schedule 4 when that is completed.]
- 5.3. The Contract Manager may appoint one or more Deputies. The Deputies may be employees of one or more of the Parties or an appointment of an external consultant. If the Contract Manager proposes the appointment of an external consultant the terms of the appointment shall be agreed by the Representatives. The salaries of the Contract Manager and any Deputies and the fees of any external consultants shall be met jointly by the Parties.
- 5.4. [The Contract Manager is an employee of [ ] Council and it is agreed that s/he is working jointly for the Parties to this Agreement in accordance with section 113 of the Local Government Act 1972.] [Terms of agreement to be included and may also be applicable to Deputies.]

### 6. **REPORTS AND RECORDS**

- 6.1. The Parties agree to provide and share such information necessary to monitor and measure the overall performance of the Suppliers under the Corporate Services Contracts.



- 6.2. From the Effective Date the Contract Manager shall provide quarterly monitoring reports to members of the Project Strategic Group detailing:
- 6.2.1. a summary of the Supplier's performance against the Service Levels;
  - 6.2.2. areas of particular success and issues that might have wider applicability;
  - 6.2.3. efficiency savings proposed and achieved;
  - 6.2.4. how any problems were resolved and any areas of non-performance by the Suppliers and the remedial action that the Contract Manager has taken or intends to take in respect of any default or failure by the Suppliers or either of them under the Corporate Services Contract(s).
- 6.3. The Parties shall operate this IAA on an "open book" basis in respect of the management of the Corporate Services Contracts.

**7. DECISION MAKING**

- 7.1. The Parties have established the Joint Committee. The Joint Committee shall have the constitution and terms of reference set out at Schedule 1 or such other constitution and terms of reference as the Parties may agree. The Joint Committee shall meet at least every three months in accordance with its constitution.
- 7.2. The Parties have established the Joint Scrutiny Committee. The Joint Scrutiny Committee shall have the terms of reference set out at Schedule 2 or such other terms of reference as the Parties may agree. The Joint Scrutiny Committee shall meet at least annually and shall have the responsibility of scrutinising the operation of the Joint Committee and the Corporate Services Contracts. The Parties agree that issues which relate to the Corporate Services Contracts shall be subject to scrutiny by the Joint Scrutiny Committee and not by the Overview and Scrutiny Committees for the individual Parties unless there are exceptional circumstances and that issue relates to that Party only.

**8. GOVERNANCE**

- 8.1. The Parties agree to participate in the following bodies to ensure the governance of the Project;
- 8.1.1. The Project Strategic Group
  - 8.1.2. The Partnership Tactical Board/Joint Partnership Management Team
  - 8.1.3. The Service Improvement Groups
  - 8.1.4. The Innovation and Transformation Team
- 8.3 Meetings of the Project Strategic Group shall be held at least every three months in accordance with the programme set out at Schedule 5 unless otherwise agreed by the Parties. The Parties shall ensure that a Representative attends each meeting of the Project Strategic Group [but shall be quorate when four of the Parties are represented. The provisions of Schedule 5 shall apply.
- 8.4 For the avoidance of doubt, Representatives attending the Project Strategic Group shall have a suitable level of authority to make strategic decisions (including day to day management and operational decisions where appropriate) and to authorise the giving of instructions accordingly to the Supplier. Actions and recommendations of the Project Strategic Group shall be reached by consensus and (other than by way of guidance to assist in forming a further discussion).
- 8.5 The Project Strategic Group shall not have decision making powers beyond the level of authority of the attendees and the Project Strategic Group shall not have any power or authority to bind

any Party. It is acknowledged that decisions and approval of recommendations beyond the authority of a Representative of a Party shall be referred to the Joint Committee.

- 8.6 A recommendation to terminate the Corporate Services Contracts or either of them on the grounds of a Supplier Default shall be made by the Project Strategic Group to the Joint Committee, if satisfied that the breach of the Corporate Services Contract(s) is substantial and that it would be in the interests of all the Parties to terminate it, taking into account legal advice as to whether there are grounds for termination. The recommendation shall be referred to the Joint Committee for consideration. The Contract Manager shall notify each Party of the Joint Committee's recommendation and the reasons for it in writing within five Working Days of the date of the decision to make the recommendation. Each Party shall within three months of such notification make a decision as to whether to support the termination of the Corporate Services Contract(s). If any Party or Parties does not support the termination the other Parties shall consider whether to exercise the right of partial termination under clause 33.1(a) or (b) of the Corporate Services Contract(s).
- 8.7 The Parties shall arrange for the representatives referred to in Schedule 5 to attend the meetings of the Partnership Tactical Board/Joint Partnership Management Team, the Service Improvement Groups and the Innovation and Transformation Team in accordance with the provisions of Schedule 8.1 of the Corporate Services Contracts set out as Schedule 6 to this Agreement.

**9. SIX MONTHLY REVIEW**

- 9.1. The Parties shall meet every six months to review the operation of this IAA and the Corporate Services Contracts.
- 9.2. Where possible the Review shall be programmed to suit each Party's political cycle and shall be brought forward or postponed by a reasonable time to allow for elections and for any new members to be in situ.
- 9.3. The Review shall be initiated by the Contract Manager sending an emailed notice to the email addresses for notices (contained in Schedule 7 (Delivery Addresses for Notices)) setting out any issues it would like to discuss at a meeting of the Project Strategic Group and inviting each Party to include items for the agenda of the Six Monthly Review meeting. Standing agenda items will include:
- 9.3.1. a general review (to include without limitation a review of any Supplier Defaults under the Corporate Services Contracts) of the Supplier's performance under the Corporate Services Contracts, including a review of the summary of the Supplier's performance against the Service Levels for the Corporate Services Contracts, as contained in the monitoring reports;
  - 9.3.2. the impact of any Changes in Law;
  - 9.3.3. a discussion of any proposed efficiency savings which might be beneficial to the parties as a whole;
  - 9.3.4. Changes that may be proposed by a Party;
  - 9.3.5. without prejudice to any other requirement of this IAA, a discussion of any proposed Change to the Corporate Services Contracts that might impact on the Services delivered to any other Party or which might further the achievement of the Mutual Aims of the Parties;
  - 9.3.6. opportunities for further and/or closer joint working;
  - 9.3.7. the effectiveness of the Service Levels in measuring the Supplier's performance;

- 9.3.8. any other issues under the Corporate Services Contracts or this IAA that the Parties feel that should be brought to the others attention;
- 9.3.9. In the 18 months prior to the Expiry Date, any possible extension of this IAA and/or the Corporate Services Contracts.
- 9.4. The written agenda and supporting papers will then be re-circulated to all Parties by the Contract Manager and should be in sufficient detail and where relevant include supporting papers to enable the Parties to take internal soundings and discuss the contents prior to the Six Monthly Review meeting.
- 9.5. Any Party may require an item to be added to the agenda by the Contract Manager.

**10. AD HOC REVIEW MEETINGS**

- 10.1. Notwithstanding the Six Monthly Review process set out in clause 8 above, any Party to this IAA shall be entitled to call for a meeting of the Project Strategic Group (an 'Ad Hoc Review') to consider (without limitation) any matter in relation to the Corporate Services Contracts which in the view of that Party requires a decision or consideration of the Project Strategic Group which cannot be deferred until the next Six Monthly Review including any Changes (see clause 10 below)
- 10.2. A Review shall be called by a Party via an emailed notice (a Review Notice) sent to the email addresses for notices (contained in Schedule 7 (Delivery Addresses for Notices)) to the other Parties setting out in detail and (if necessary supporting information) of:
  - 10.2.1. the nature of the Review;
  - 10.2.2. the reasons for it;
  - 10.2.3. the proposed action and/or solution;
  - 10.2.4. the Party or Parties potentially affected; and
  - 10.2.5. how the proposed solution could or should be implemented.
- 10.3. The Project Strategic Group shall meet to discuss and carry out the Review within three weeks of the Review Notice having been served. Following such a meeting the Parties shall implement the actions (or action plan as the case may be) in accordance with the agreed timetable. The three week notice period provided in this clause 9.3 may be reduced by an appropriate time if the Party issuing the Review Notice reasonably considers the Review is urgent and states its reasons on the face of the Review Notice.
- 10.4. A Review shall be held on or about 18 months before the expiry of the Initial Term to consider whether to recommend that either or both of the Corporate Services Contracts should be extended beyond the Initial Term

**11. CHANGES**

- 11.1. If a Party wishes to propose a Change to the Corporate Services Contracts pursuant to clause 13 and Schedule 8.2 of either of the Corporate Services Contracts which will have an impact on other Parties it shall arrange for the proposed terms of the Change to be discussed at a meeting of the Project Strategic Group. The Party seeking the Change, shall provide a paper, in consultation with the Contract Manager setting out the terms of the proposed Change, its likely impact on the other Parties and the implications as to the likely cost of the Change and/or any savings resulting from it. A Change that has no impact on the other Parties other than the Party proposing the Change may be implemented by the Contract Manager and any adjustment to the Service Charges shall be made by adjusting that Party's Contribution.

- 11.2. If the Supplier proposes a Change to the Corporate Services Contracts or either of them pursuant to clause 13 and Schedule 8.2 of the Corporate Services Contracts the Contract Manager shall arrange for the proposed terms of the Change to be discussed at a meeting of the Project Strategic Group. The Contract Manager shall provide a paper setting out the terms of the proposed Change, its likely impact on the Parties and the implications as to the likely cost of the Change and/or any savings resulting from it.

**12. TRANSITION PHASE**

- 12.1. Each Part shall nominate its Transition Lead no later than [1<sup>st</sup> July 2016] and notify the other Parties of the name and contact details for that person.
- 12.2. The Parties shall work together in preparing a plan setting out the steps which need to be taken to ensure the successful implementation of the requirements of the Transition Phase. Such plan shall be completed and agreed between the Parties no later than [1<sup>st</sup> September 2016].
- 12.3. The Parties shall co-operate and work together during the Transition Phase in order to ensure that any necessary steps are taken and changes made to ensure the successful implementation of the requirements of the Transition Phase.

**13. PAYMENT PROVISIONS**

- 13.1. The amounts of each Party's Contribution and the means by which the Contributions are calculated are set out in Schedule 8.
- 13.2. Each Party shall pay its Contribution in the manner set out in Schedule 8.
- 13.3. If one or more Parties exercises the right to terminate the Corporate Services Contracts in part under clause 33.1(a) or 33.1(b), then once the changes to the Service Charges have been calculated pursuant to clause 33.6(a) the Party or Parties which have exercised the right of partial termination shall pay to the Party or Parties which remain as parties to the Services Contract(s) the difference between the revised Service Charges calculated pursuant to clause 33.6 and the Services Charges payable by such Parties prior to the right of partial termination being exercised. If more than one Party has exercised the right of partial termination, then the amounts payable to the other Party/Parties pursuant to this clause shall be payable by them according to the proportion of the reductions made in accordance with Schedule 8.
- 13.4. Any amounts received by the Parties from the Supplier in respect of Losses under the Corporate Services Contracts shall be paid to the Parties in proportion to the extent of the Losses incurred by that Party/those Parties. Any amounts received by the Parties in respect of Service Credits shall be distributed in accordance with the provisions set out at Schedule 8.

**14. INDEMNITY FOR PARTY'S DEFAULT**

- 14.1. If the Corporate Services Contracts or either of them is terminated by the Supplier for Authority Default (as defined in the Corporate Services Contract(s)) as a result of a default by one or more of the Parties, that Party/those Parties shall indemnify the other Parties against all losses, costs and other liabilities arising as a result of the termination for Authority Default.

**15. DISPUTE RESOLUTION**

- 15.1. If there are any disputes or differences between the Parties or any of them in relation to the Corporate Services Procurement, they shall use their best endeavours to resolve such disputes amicably between themselves.

- 15.2. Any dispute between the Parties which has not been resolved without formal consideration shall be referred to the Project Strategic Group
- 15.3. If the dispute is not resolved by the Project Strategic Group it shall be referred to a meeting of the Joint Committee which shall use its best endeavours to ensure that the dispute is resolved.

**16. CHANGES TO THE IAA**

- 16.1. The Parties may make such amendments to this IAA as they think fit. Such changes may include the addition of further bodies as Parties to this IAA on such terms as the Parties may decide.
- 16.2. Any such amendment to the IAA shall be made in writing and executed by all Parties.

**17. PUBLIC RELATIONS AND PUBLICITY**

The Parties shall not by themselves, their employees, or their agents, and shall procure that its sub-contractors shall not, communicate with representatives of the press, television, radio or other communications media on any matter concerning the contents of this IAA without first consulting the Project Manager who shall be responsible for all such communications and who shall refer any issues relating to communications to the Project Strategic Group as necessary.

**18. NOTICES**

- 18.1. No notice required to be served upon any of the Parties under this IAA shall be valid or effective unless it is in writing and served:
  - 18.1.1. by delivering the notice by hand to that Party at the relevant address set out in Schedule 7 (Delivery Addresses for Notices) or to such other address as that Party may notify the other Party in writing, and the notice shall be deemed to have been duly served at the time it is so delivered provided a receipt is obtained;
  - 18.1.2. only where the terms of this IAA expressly permit it, emailed to the email addresses set out in Schedule 7 (Delivery Addresses for Notices); or
  - 18.1.3. by posting the notice in a pre-paid envelope sent by recorded delivery and addressed to that Party at the relevant address set out in Schedule 7 (Delivery Addresses for Notices) or such other address as that Party may notify the other Party in writing and the notice shall be deemed to have been duly served two days after the date of posting.
- 18.2. Where any notice is deemed served pursuant to clause 18.1.1 after 4 p.m. on any day, the notice shall be deemed to have been served on the next working day.

**19. ENTIRE AGREEMENT**

- 19.1. Except where expressly provided in this IAA, this IAA constitutes the entire agreement between the Parties in connection with its subject matter and, in the absence of fraud, supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this IAA.
- 19.2. The Parties acknowledge that they have not entered into this IAA on the basis of any representation that is not expressly incorporated into this IAA.
- 19.3. Without limiting the generality of the foregoing, no Party shall have any remedy in respect of any untrue statement made to him upon which he may have relied in entering into this IAA, and a Party's only remedy is for breach of contract. Nothing in this IAA purports to exclude liability for any fraudulent statement or act.

20. **AGENCY**

Nothing in this IAA shall constitute a legal partnership or agency between the Parties.

21. **ASSIGNMENT**

This IAA is personal to the Parties and the rights and/or obligations under this IAA shall not be assigned, novated or otherwise transferred to any person other than to a successor body following a reorganisation within government or to a body which substantially performs any of the functions that previously had been performed by the affected Party. The Parties shall enter into such agreement and/or deed as may reasonably be required to give effect to such assignment, novation or transfer.

22. **WAIVER**

Failure by one Party to enforce the provisions of this IAA or to require performance by the other Party of any of the provisions contained in this IAA shall not constitute or be construed as a waiver of or as creating an estoppel in connection with any such provision and shall not affect the validity of this IAA or any part thereof or the right of the former Party to enforce any provision in accordance with its terms.

23. **SEVERABILITY**

If any term, condition or provision of this IAA shall be held to be invalid, unlawful or unenforceable to any extent by a Court of competent jurisdiction, such term, condition or provision shall be severed and shall not affect the validity, legality and enforceability of the other provisions of or any other documents referred to in this IAA.

24. **RIGHTS OF THIRD PARTIES**

The Parties agree that this IAA shall not be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Act 1999 and any rights contained therein are excluded.

25. **LAW AND JURISDICTION**

This IAA shall be governed by and construed in all respects in accordance with the laws of England. Subject to clause 15, the English courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this IAA.

26. **COUNTERPARTS**

This IAA may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

EXECUTED AS A DEED by:

The common seal of **SOUTH OXFORDSHIRE DISTRICT COUNCIL**  
in the presence of:

Authorised Signatory

EXECUTED AS A DEED by:

The common seal of **VALE OF WHITE HORSE DISTRICT COUNCIL**  
in the presence of:

Authorised Signatory

EXECUTED AS A DEED by:

The common seal of **HART DISTRICT COUNCIL**  
in the presence of:

Authorised Signatory

EXECUTED AS A DEED by:

The common seal of **HAVANT BOROUGH COUNCIL**  
in the presence of:

Authorised Signatory

EXECUTED AS A DEED by:

The common seal of **MENDIP DISTRICT COUNCIL**  
in the presence of:

Authorised Signatory

## Appendix 1 Inter Authority Agreement



**SCHEDULE I**

**Terms of reference of Joint Committee**

**SCHEDULE 2**

**Terms of Reference of Joint Scrutiny Committee**

**SCHEDULE 3**

**Mutual Aims**

[1. Support the achievement of each Authority's corporate targets through:

- Development of insight and evidence based decision making
- Integration of strategic planning and financial management
- Helping customers input into service planning and redesign and self-service
- Supporting multi-agency, partnership and two-tier collaborative working
- Supporting community-led initiatives
- Supporting growth in the areas served by the Authorities

2. Improve the satisfaction of customers and service users through:

- Ensuring the public sector only needs to be told once
- Simplifying engagement around key life events
- Enabling customers to engage with each Authority through the devices they want to use
- Ensuring customers and users can access information that is relevant to them
- Resolving customer and user issues quickly
- face to face service provided in a secure, accessible and fit for purpose environment
- maintaining and enhancing the public perception of the Authorities as effective providers of public services

3. Improving the productivity of the Authorities' staff through:

- Helping them to attract the right people and onboard them quickly
- Ensuring they are equipped with the right skills throughout their employment
- enabling them to work flexibly
- supporting effective performance management
- providing them with access to the right applications and management information
- minimising administration and paper within the Authorities whilst retaining compliance
- supporting effective and efficient workflow processes
- providing access to fit for purpose working and meeting facilities

4. Achieve high levels of resilience and compliance through:

- minimising dependency on specific locations to deliver service
- standardising processes and applications
- achieving open data standards
- protecting the Authorities, their customers and their staff from unauthorised activity
- engaging effectively with external assurance
- forecasting and planning for changes in levels of service demand
- achieving a highly utilised but flexible civic estate demonstrating transparency to the public

5. Deliver improved value for money through:

- Ensuring the Authorities achieve greater financial benefits through collaboration
- Harmonising and improving service performance
- Consistent and unit-based pricing of common elements of scope
- Developing a flexible partnership model that increases flexibility and innovation in the delivery and provision of the services and allows the Authorities to transfer services within the scope of this procurement at a date of their choosing
- Reducing the cost to the Authorities of providing the services including reducing the unit cost of transactions
- Encouraging the use of and access to the services through more cost effective and efficient channels and assisting with demand management
- Enabling the Authorities to achieve efficiencies in, and better outcomes from, their client and contract management function
- Enabling capability to support future transformation
- Utilising modern approaches to the provision of ICT infrastructure and new technology generally.]

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**SCHEDULE 4**

**Powers of Contract Manager**

**SCHEDULE 5**  
**Functions of Partnership Tactical Board/Joint Partnership Management Team,**  
**programme and membership**

**SCHEDULE 6**  
**Corporate Services Contracts Governance**

**SCHEDULE 7**  
**Delivery Addresses**

**Hart District Council**

Tricia Hughes  
Joint Chief Executive  
Civic Offices, Harlington Way, Fleet, Hampshire GU51 4AE

[Patricia.hughes@hart.gov.uk](mailto:Patricia.hughes@hart.gov.uk)

**South Oxfordshire District Council**

Steve Bishop  
Strategic Director  
135 Eastern Avenue Milton Park Milton OX14 4SB [Steve.bishop@southandvale.gov.uk](mailto:Steve.bishop@southandvale.gov.uk)

**The Vale of White Horses district Council**

Steve Bishop  
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**SCHEDULE 8**  
**Payment Arrangements**

## **Corporate Services contract – Client side arrangements**

This short paper sets out the approach to managing the corporate services contract. The Project Board (including Leaders and Chief Executives) endorsed this approach at their meeting of the 7<sup>th</sup> January.

The services being outsourced under Lots 1 and 2 have a combined annual value of around £25 million. By any standards these are large contracts, particularly Lot 1, and will need careful and sophisticated management if they are to be delivered successfully.

The Lot 1 bidders have put in place strong management arrangements headed up by a senior member of staff operating at the equivalent of director level within a local authority. The client arrangements need to reflect the sophistication apparent in the bidders' proposals.

This document forms an appendix to each local authorities reports regarding the outsourcing, to help in their consideration of the recommendation regarding a Joint Client Team.

### **Client Manager**

The starting point will be to recruit a Client Manager. The salary has been an area of interest, reflecting the range of salaries within the five councils. The final salary will be a matter for negotiation and will reflect the skills and experience of the person chosen and where they intend to locate. It has been agreed that Havant will lead on recruitment to this post, with all Councils involved in the interview process.

Once the Client Manager is in post their first task will be to consider in more depth the resourcing requirements for the client team at the different stages of the process ie, mobilisation, transition and then through various stages to target operating model. Members of the team will transfer from their current roles as and when their skills and capacity are required.

### **Client Team principles**

These principles have been developed to give a broad estimate of how the team will operate and the potential cost. This has been done so Councils can understand the impact of the Joint Client team alongside the financial outcomes of the procurement process and inform final decisions on contract award.

A key principle is that the Joint Client team is established as a virtual team. This means that members of the team might be located in any of the five council offices. Running a virtual

team will bring challenges but it will also ensure that there is an on-site presence in each location and help to avoid any perception that one council is “in charge” of the contract.

Differential salaries will undoubtedly be an issue moving forward and one that will require careful handling. On the one hand we do not want to set salaries at a level that effectively excludes those working for the highest paying councils. Equally we do not want to set salaries at a level where those in the lower paying councils are suddenly earning a lot more than colleagues around them. This will be a key issue for the Client Manager to address once in post.

With the beginning of the new contract in August 2016 for South and Vale Councils and the potential for others (subject to business case) to seek to bring their forward, a key principle is that the team is established quickly.

### **Client team size**

Recognising the peak of workload that will need to be undertaken during the early transition phase, it was agreed by the Project Board that the team will need to be bigger at the outset to support the transition phase than when the contract is in steady state.

The Contract Manager will be expected to keep the resourcing under review, but in the first instance, it is anticipated that 27.5FTE (inclusive of the manager) will be required and would cost a little over £1.4 million per annum on a contract value of around £25 million.

Audit Commission guidance published some years ago recommended that client costs should be in the range of 3-5 per cent of contract costs. These are a little higher than the top end reflecting the transitional period but it is anticipated that any review would bring down the resource levels, towards the lower end of the Audit Commission range at the point the Contract reaches its target operating model.

DATED

2016

;

**HART DISTRICT COUNCIL;**

**HAVANT BOROUGH COUNCIL;**

**MENDIP DISTRICT COUNCIL**

**SOUTH OXFORDSHIRE DISTRICT COUNCIL;**

and

**VALE OF WHITE HORSE DISTRICT COUNCIL**

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**CONSTITUTION OF THE CORPORATE SERVICES  
JOINT COMMITTEE**

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## CONSTITUTION OF THE CORPORATE SERVICES JOINT COMMITTEE

**THIS IS THE CONSTITUTION** of the CORPORATE SERVICES JOINT COMMITTEE made on the day of 2016

### **BETWEEN**

- (1) **HART DISTRICT COUNCIL** of Civic Offices, Harlington Way, Fleet, Hampshire GU51 4AE (subsequently referred to as "Hart");
- (2) **HAVANT BOROUGH COUNCIL** of Public Services Plaza, Civic Centre Road, Havant, Hampshire PO9 2AX (subsequently referred to as "Havant");
- (3) **MENDIP DISTRICT COUNCIL** of Council Offices, Cannards Grave Road, Shepton Mallet, Somerset BA4 5BT (subsequently referred to as "Mendip")
- (4) **SOUTH OXFORDSHIRE DISTRICT COUNCIL** of 135 Eastern Avenue Milton Park Milton OX14 4SB (subsequently referred to as "South Oxfordshire");
- (5) **VALE OF WHITE HORSE COUNCIL** of 135 Eastern Avenue Milton Park Milton OX14 4SB (subsequently referred to as "Vale");  
(together the "Partner Authorities").

### **1. NAME AND LEGAL STATUS**

- 1.1. The name of the joint committee is the Corporate Services Joint Committee ("the Joint Committee"). It is a joint committee constituted by the Partner Authorities under sections 101 and 102 of the Local Government Act 1972 and regulation 9 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.
- 1.2. The Joint Committee is to exercise its authority in the administrative districts of the Partner Authorities.
- 1.3. The Partner Authorities have entered into contracts with [ ] of [ ] ("the Lot 1 Contract") and [ ] of [ ] ("the Lot 2 Contract"), (together "the Corporate Services Contracts") to deliver services to fulfil the functions of the Partner Authorities. The scope of the Services which are or may be included in the Corporate Services Contracts ("the Corporate Services") are as follows: [ ]
- 1.4. The Partner Authorities have entered into an agreement ("the Inter Authority Agreement") to govern the way in which the Partner Authorities will undertake joint working arrangements for the operation of the Corporate Services Contracts

### **2. PURPOSE OF THE JOINT COMMITTEE**

- 2.1. The Joint Committee shall carry out the strategic, financial and operational functions delegated to it by the Partner Authorities as set out in Schedule 1 to this Constitution and such other functions and statutory responsibilities as may be delegated to it from time to time by the Partner Authorities.

### **3. COMPOSITION OF THE JOINT COMMITTEE**

- 3.1. The Joint Committee shall comprise five members being one councillor appointed by each Partner Authority each of whom shall be a member of the Cabinet of the Partner Authority which appointed them.

## Appendix 3 Joint Committee Terms of Reference

- 3.2. Partner Authorities may change the members of the Joint Committee appointed by them at any time provided that they shall notify each other in writing of any such change and the change shall take effect on receipt of such notification by all recipient Partner Authorities.
- 3.3. A member who is unable to attend a meeting of the Joint Committee may appoint another member of the same Partnering Authority as his/her deputy.

### 4. THE ROLE OF MEMBERS OF THE JOINT COMMITTEE

- 4.1. The role of each member of the Joint Committee will be to:
  - 4.1.1. Attend all meetings of the Joint Committee where possible, vote on the items of business and make a positive contribution to the Joint Committee
  - 4.1.2. Demonstrate commitment to and act as champion for the Corporate Services Project and the Mutual Aims as set out in Schedule 2 to this constitution;
  - 4.1.3. Act as ambassador for the Joint Committee and ensure that his or her Partner Authority supports the Corporate Services Project and the Mutual Aims; and
  - 4.1.4. Act as advocate for the Joint Committee in seeking any necessary approvals from his or her Partner Authority;
- 4.2. Members of the Joint Committee shall not represent themselves as having any power or authority to incur any obligation of any nature express or implied on behalf of the Joint Committee or any other member of it.

### 5. ADMINISTRATION

- 5.1. The Partner Authorities shall host meetings of the Joint Committee. The hosting of meetings shall be divided evenly among the Partner Authorities and the Partnering Authority of which the Chairman is a member shall be the host.
- 5.2. The Partner Authority hosting the meeting shall be responsible for the administration of the Joint Committee which shall include:
  - 5.2.1. Organisation of the meeting and venue;
  - 5.2.2. Distribution of agendas and reports;
  - 5.2.3. The keeping of minutes and ensuring compliance with legal requirements;
  - 5.2.4. Such other administrative support as shall be required from time to time.
- 5.3. The post of Chairman of the Joint Committee shall be held by a member and shall rotate between the Partner Authorities every year in accordance with the following rota: [            ]
- 5.4. In the absence of the Chairman the responsibilities of the Chairman shall be undertaken by the Vice-Chairman who shall be a member of a different Partner Authority from that of which the Chairman is a member.

### 6. MEETINGS

- 6.1. The Joint Committee shall meet every three months or at such other times as may be determined by the members of the Joint Committee.
- 6.2. The summons and agenda for each meeting shall be despatched in accordance with the legal requirements for the convening of meetings as set out in the Local Government Act 1972.
- 6.3. The quorum for meetings shall be one member for each Partner Authority.



## Appendix 3 Joint Committee Terms of Reference

- 6.4. The Chief Executives of the Partner Authorities (or a senior officer representing the Chief Executive if the Chief Executive is unable to attend) shall attend meetings of the Joint Committee for the purpose of participating in discussions about the matters being considered by the Joint Committee. The Chairman of the Joint Committee may invite any person to attend a meeting of the Joint Committee for the purposes of making a presentation or participating in a discussion on any item relevant to the Joint Committee's functions.
- 6.5. Meetings of the Joint Committee shall be open to the public and press except where items containing confidential or exempt information (as defined in the Local Government Act 1972) are being discussed.
- 6.6. The minutes of the Joint Committee shall be available to the press and public except where they contain confidential or exempt information.

### 7. **DECISION MAKING**

- 7.1. Each member of the Joint Committee (or their duly authorised deputies) is entitled to one vote.
- 7.2. If a vote is required it shall be taken by a show of hands.
- 7.3. Any resolutions shall be passed by a simple majority.
- 7.4. If there is an equal number of votes for and against a resolution the Chairman shall have a casting vote.
- 7.5. Decisions of the Joint Committee shall be notified to Partner Authorities within five working days of the date of the decision.
- 7.6. The decisions of the Joint Committee shall be subject to overview and scrutiny by the Joint Scrutiny Committee to which the Partner Authorities have delegated their overview and scrutiny functions relating to the Corporate Services Project. The Joint Scrutiny Committee shall have the terms of reference set out at Schedule 3 or such other terms of reference as the Parties may agree. The Joint Scrutiny Committee shall meet at least annually and shall have the responsibility of scrutinising the operation of the Joint Committee and the Corporate Services Contracts. The Parties agree that issues which relate to the Corporate Services Contracts shall be subject to scrutiny by the Joint Scrutiny Committee and not by the Overview and Scrutiny Committees for the individual Parties unless there are exceptional circumstances and that issue relates to that Party only.

### 8. **DELEGATION**

- 8.1. The Joint Committee may appoint sub-committees and working groups to consider specific issues and report back to it.
- 8.2. The Joint Committee may delegate functions to sub-committees or to individual officers.

### 9. **CONDUCT AND EXPENSES OF MEMBERS**

- 9.1. All members of the Joint Committee shall observe at all times the provisions of the Code of Conduct adopted by their Partner Authority.
- 9.2. Each Partner Authority shall be responsible for meeting any expenses incurred by any member of the Joint Committee appointed by them as a result of their attendance at meetings of the Joint Committee.

**10. LIABILITIES**

- 10.1. If the Joint Committee authorises the entry into any contract then any liabilities under such contract shall rest with the Partner Authorities which are a party to such contract.

**11. TERMINATION**

- 11.1. If a Partnering Authority ceases to be a party to the Corporate Services Contract, it shall cease to be represented on the Joint Committee with effect from the date on which it ceased to be a party to the Corporate Services Contract.
- 11.2. If the Corporate Services Contract is terminated or expires, then the Joint Committee shall be dissolved as soon as practicable but shall retain responsibility for resolving any outstanding issues relating to the Corporate Services Contract.

## SCHEDULE I

### Responsibilities of the Corporate Services Joint Committee

#### STRATEGIC

- (a) Oversee the achievement of the Mutual Aims
- (b) Review and revise as necessary the Mutual Aims in accordance with the strategic objectives of the Partner Authorities
- (c) Monitor and review the performance of the Corporate Services Contracts at a Strategic Level
- (d) Develop and agree proposals for the future management of the Corporate Services for the Partner Authorities
- (e) Review opportunities to align policies and services where they create efficiencies or cashable savings
- (f) Approve the inception of strategic projects including cross cutting projects that interface with the retained services
- (g) Resolve conflicts (and highlight synergies) between the project and other initiatives/projects involving the Councils individually or collectively

#### FINANCIAL

- (a) Oversee expenditure on the Corporate Services Contract to ensure that the Corporate Services are delivered
- (b) Agree a draft budget by [30 November] for the following financial year to include the contribution required from each Partner Authority
- (c) Consider how expenditure may be targeted more effectively to deliver the Mutual Aims
- (d) Agree three year strategic plans and annual business plans for the Project and the Corporate Services Contracts

#### OPERATIONAL

- (a) Take decisions in relation to all matters relating to the Corporate Services Contracts referred to it by the Project Strategic Group including changes to the Corporate Services Contracts recommendations as to termination, partial termination and the exercise of step-in rights and the resolution of disputes between Partner Authorities
- (b) Consider and recommend improved and more cost effective ways of delivering the Mutual Aims
- (c) Carrying out publicity for the Corporate Services Project and the Mutual Aims
- (d) Review, update and agree the agreement entered into between the Councils to manage the Project (the Inter Authority Agreement) and the Corporate Services Contracts dated [ ] as required.

## Appendix 3 Joint Committee Terms of Reference

## SCHEDULE 2

### Mutual Aims

[1. Support the achievement of each Authority's corporate targets through:

- Development of insight and evidence based decision making
- Integration of strategic planning and financial management
- Helping customers input into service planning and redesign and self-service
- Supporting multi-agency, partnership and two-tier collaborative working
- Supporting community-led initiatives
- Supporting growth in the areas served by the Authorities

2. Improve the satisfaction of customers and service users through:

- Ensuring the public sector only needs to be told once
- Simplifying engagement around key life events
- Enabling customers to engage with each Authority through the devices they want to use
- Ensuring customers and users can access information that is relevant to them
- Resolving customer and user issues quickly
- face to face service provided in a secure, accessible and fit for purpose environment
- maintaining and enhancing the public perception of the Authorities as effective providers of public services

3. Improving the productivity of the Authorities' staff through:

- Helping them to attract the right people and onboard them quickly
- Ensuring they are equipped with the right skills throughout their employment
- enabling them to work flexibly
- supporting effective performance management
- providing them with access to the right applications and management information
- minimising administration and paper within the Authorities whilst retaining compliance
- supporting effective and efficient workflow processes
- providing access to fit for purpose working and meeting facilities

4. Achieve high levels of resilience and compliance through:

- minimising dependency on specific locations to deliver service
- standardising processes and applications
- achieving open data standards
- protecting the Authorities, their customers and their staff from unauthorised activity
- engaging effectively with external assurance
- forecasting and planning for changes in levels of service demand
- achieving a highly utilised but flexible civic estate demonstrating transparency to the public

5. Deliver improved value for money through:

- Ensuring the Authorities achieve greater financial benefits through collaboration
- Harmonising and improving service performance
- Consistent and unit-based pricing of common elements of scope
- Developing a flexible partnership model that increases flexibility and innovation in the delivery and provision of the services and allows the Authorities to transfer services within the scope of this procurement at a date of their choosing
- Reducing the cost to the Authorities of providing the services including reducing the unit cost of transactions

### **Appendix 3 Joint Committee Terms of Reference**

Encouraging the use of and access to the services through more cost effective and efficient channels and assisting with demand management

Enabling the Authorities to achieve efficiencies in, and better outcomes from, their client and contract management function

Enabling capability to support future transformation

Utilising modern approaches to the provision of ICT infrastructure and new technology generally.]

### **SCHEDULE 3**

#### **Terms of reference of Joint Scrutiny Committee**

#### **JOINT SCRUTINY COMMITTEE**

##### **1. Terms of Reference**

- 1.1 To scrutinise decisions made or other action taken, by the Joint Committee in connection with the provision of services through the joint procurement of corporate services.
- 1.2 To act as a consultative body for the Joint Committee responding to requests in relation to new and changed policies and services in relation to any matter within their purview.
- 1.3 To monitor and review the performance of the Joint Committee.
- 1.4 To make reports or recommendations to the Local authorities and Joint Committee with respect to the provision of services through the joint procurement of corporate services.
- 1.5 The committee shall prepare an annual report for the Councils.

##### **2. Composition of the Committee**

- 2.1 The committee shall consist of ten Councillors to be made up of two Councillors from each authority.
- 2.2 With the exception of Cabinet members, any Councillor of the respective Council may act as a substitute for the nominated member.
- 2.3 Each council may change their nominated Councillor at any time.
- 2.4 The committee may co-opt external representatives or appoint advisors as it sees fit.

##### **3. Administration and proceedings of the Committee**

- 3.1 The administration and chairmanship of the committee shall rotate between the councils on an annual basis.
- 3.2 The committee shall follow the procedures of the hosting council.

## **Draft Terms of Reference**

### **JOINT SCRUTINY COMMITTEE**

#### **1. Terms of Reference**

- 1.1 To scrutinise decisions made or other action taken, by the Joint Committee in connection with the provision of services through the joint procurement of corporate services.
- 1.2 To act as a consultative body for the Joint Committee responding to requests in relation to new and changed policies and services in relation to any matter within their purview.
- 1.3 To monitor and review the performance of the Joint Committee.
- 1.4 To make reports or recommendations to the Local authorities and Joint Committee with respect to the provision of services through the joint procurement of corporate services.
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- 2.3 Each council may change their nominated Councillor at any time.
- 2.4 The committee may co-opt external representatives or appoint advisors as it sees fit.

#### **3. Administration and proceedings of the Committee**

- 3.1 The administration and chairmanship of the committee shall rotate between the councils on an annual basis.
- 3.2 The committee shall follow the procedures of the hosting council.







	3. Tailoring	<p>Potential Provider's solution provides suitably underpinned commitment to provide:</p> <ul style="list-style-type: none"> <li>– the maximisation of the benefits of collaboration between the councils;</li> <li>– the retention by each council of their ability to deliver individual transformation projects in line with local political priorities and environmental factors.</li> </ul>	4			<p><b>Strengths:</b></p> <p><b>Weaknesses:</b></p>
<b>Flexibility in the Contract Total</b>			<b>12%</b>			
People/ Mobilisation	4. Transition	Potential Provider provides suitably underpinned commitments to deliver benefits in line with the planned schedule and minimise risk to the Councils during transition.	3			<p><b>Strengths:</b></p> <p><b>Weaknesses:</b></p>
	5. Internal Impact	<p>Potential Provider provides suitably underpinned commitments to delivering:</p> <ul style="list-style-type: none"> <li>– improved satisfaction from service users within the councils retained staff;</li> <li>– an understanding of the importance of staff irrespective of employer to service delivery and the success of the councils</li> </ul>	3			<p><b>Strengths:</b></p> <p><b>Weaknesses:</b></p>







	11. Added Value	Potential Provider provides suitably underpinned commitment to deliver tangible additional benefits and opportunities to add value	3			<b>Strengths:</b>  <b>Weaknesses:</b>
<b>Service Delivery Total</b>			<b>24%</b>			
Transformation	12. Planning	<p>Potential Provider provides :</p> <ul style="list-style-type: none"> <li>– a roadmap of transformation to integrate, rationalise and aggregate services in scope to deliver benefit for the councils;</li> <li>– suitably underpinned commitment to delivering transformation within the retained services through reconfiguration and better interaction with the transferred services.</li> </ul>	2			<b>Strengths:</b>  <b>Weaknesses:</b>
	13. Programming	Potential Provider provides a mechanism to ensure that transformation projects are conceived, designed, commissioned and implemented effectively	2			<b>Strengths:</b>  <b>Weaknesses:</b>
	14. Benefits Realisation	Potential Provider provides a mechanism to guarantee that benefits are realised and with sufficient transparency to deliver an equitable share of these	2			<b>Strengths:</b>

		benefits between it and each of the participating councils.				<b>Weaknesses:</b>
<b>Transformation Total</b>			<b>6%</b>			
15. Legal/Commercial Please note that there are no Level 3 Criteria relating to Legal/Commercial	Acceptability of proposed contractual terms including: <ul style="list-style-type: none"> <li>Degree of compliance with/derogation from the Councils' Draft Contract and Schedules evaluated by the extent to which such derogations adversely affect the Councils; and</li> <li>Degree of acceptance of the proposed risk allocation in the Contract and Schedules</li> </ul>	6				<b>Strengths:</b>          <b>Weaknesses:</b>
<b>Legal/Commercial Total</b>			<b>6%</b>			



## EVALUATORS SCORING SHEET (Financial)

**Bidder:**

**Evaluators:**

For the response to Cost of Service Financial Evaluation Criterion number 16, the evaluation team will use the following scoring methodology/approach. The score will then be multiplied by the relevant weighting.

Outline Solution	A Initial Core Services Price Reduction	B Core Services Financial Benefit	C Operational Cost Reduction	Mark
An excellent response	10% or above	25% or above	35% or above	5
A very good response	10% or above	20% or above	30% or above	4
A good response	10% or above	15% or above	25% or above	3
A satisfactory response	5% or above	15% or above	25% or above	2
An unsatisfactory response	5% or above	exceeds minimum savings target (10% for each council)	20% or above	1
An unacceptable response	Below 5%	Does not achieve minimum savings target for each council	Below 20%	0

For the purposes of this Final Tender evaluation the following shall apply:

- In order to score a particular mark the Potential Provider's response to the Cost of Service Financial Evaluation Criterion must satisfy each of the requirements in columns A, B and C attributable to that mark. For example, to achieve a 'good response' mark of 3, the response must deliver 10% or more as the Initial Core Services Price Reduction for the first 12 months of the Initial Term under column A, 15% or more as the Core Services Financial Benefit over the Initial Term under column B and 25% or more as the Operational Cost Reduction by the end of the Initial Term under column C.
- **Column A (Initial Core Services Price Reduction):** The Initial Core Service Price Reduction percentage is the difference between (1) the Council Cost Baseline (Transferring Budgets) for the first 12 months following the anticipated operational service commencement date for each Council (these being: 01/08/16 for South Oxon and Vale of White Horse, 01/07/17 for Mendip and 01/10/17 for Hart and Havant) and (2) the Total Core Services Price from Bidder for the same period, as a percentage of the Council Cost Baseline (Transferring Budgets). This figure is reported in cell L79 of the 'Summary' tab of the Financial Pro-forma spreadsheet.

- **Column B (Core Services Financial Benefit):** The Core Services Financial Benefit percentage is the cash total for the Initial Term of the Total Core Services Financial Benefit as a percentage of the cash total for the Initial Term of the Council Cost Baseline (Transferring Budgets). This figure is reported in cell Q60 of the 'Summary' tab of the Financial Pro-forma spreadsheet.
- **Column C (Operational Cost Reduction):** The Operational Cost Reduction percentage is the difference between (1) the Current Operational Expenditure and (2) the Total Final 12 Months Operational Expenditure, as a percentage of the Current Operational Expenditure. This figure is reported in cell Q72 of the 'Summary' tab of the Financial Pro-forma spreadsheet.
- The Council Cost Baseline (Transferring Budgets) and Current Operational Expenditure figures are set out in the summary sheet of the Financial Pro-Forma.
- For the purposes of the Total Core Services Price, Core Services means the services in scope of this procurement and for which a cost baseline has been calculated as set out in line 22 of the 'Summary' tab of the Financial Pro-forma spreadsheet.

**Table C – Level 2 Financial Criteria**

Please note that there are no Level 3 Criteria relating to the financial criteria.

Level 2 Financial Criteria and criterion number	Evidenced by	Weighting (%)	Score (1-5) See Scoring Methodology	Weighted Score (Score x Weighting)	Comments: Comments must be added to justify each of your scores, this is a legal requirement.
16. Cost of Service	<p>The amount of satisfactorily underpinned net financial benefit that the councils will obtain from the contract based on the Potential Provider's declared commitment in the financial proforma as moderated by the evaluation team. This to include net benefits from: savings in transferred services; transformational savings obtained from retained budgets; improved asset values and/or reduced liabilities during the term and any other commitment that the Councils deem to be of financial benefit e.g. the extent of structural cost reduction in the core services.</p> <p>The financial benefit that the Councils will obtain from the Contract on any other partially underpinned basis, e.g. risk/reward</p> <p>The guaranteed amount of financial benefit for the services as a whole meets or exceeds the minimum stated requirement of 10% per council.</p> <p>As shown in the Potential Provider's financial proforma, the profile of the guaranteed financial benefits to the Councils throughout the term of the contract is in line with or</p>	24			

	<p>exceeds the financial benefits required.</p> <p>This component of the evaluation shall be evaluated using the financial evaluation methodology supplied separately.</p>				
17. Price Performance Mechanism	<p>Potential Provider offers a price performance regime that incentivises delivery against a set of service outputs, strategic objectives, milestones and longer term outcomes that represent the Potential Provider's offer at an appropriate level of granularity</p> <p>The Potential Provider's response shows how the price performance mechanism provides sufficient encouragement to ensure successful delivery of services in line with the councils performance requirements and encourages continuous improvement throughout the term of the contract.</p>	<b>8</b>			
18. Ability to Transfer Risk	<p>The Potential Provider's proposal offers a value for money approach to risk transfer.</p> <p>The Potential Provider's financial offer is not unduly reliant on achieving savings from budgets that are retained by the councils. However the partner offers clear risk and reward models</p> <p>The Potential Provider demonstrates an awareness of the issues associated with the delivery of services to multiple clients within a single contract and contributes to the minimisation of associated risks</p>	<b>8</b>			

### Scoring Methodology

For each written response (save for the written response to Cost of Service Financial Evaluation Criterion number 16), the evaluation team will use the following scoring methodology/approach. Each score will then be multiplied by the relevant weighting.

Outline Solution	How well does the Potential Provider's response to Final Tender questions demonstrate an ability to meet the relevant Councils' requirements as set out in the ISFT documents	Mark
An unacceptable response	The Potential Provider does not understand or fails to address the Councils' requirements or the solution is incapable of meeting the Councils' requirements	0
An unsatisfactory response	The Potential Provider understands the Council's requirements but there are some major risks or omissions in the response or the proposed solution to the deliver the services and the Councils would not be confident of the Councils' requirements being met	1
A satisfactory response	The Potential Provider understands the Councils' requirements and the solution could meet them but there are some areas in the response or the proposed solution to deliver the services which require refinement to ensure that the solution meets the Councils' needs	2
A good response	The solution shows that the Potential Provider understands the Councils' requirements, offers attractive risk and commercial positions, has a robust methodology, service delivery plan or other processes and resources to deliver the service and the solution is capable of meeting the Councils' needs	3
A very good response	The solution shows that the Potential Provider understands the Councils' requirements, offers very attractive risk and commercial positions, has a robust methodology, service delivery plan or other processes and resources to deliver the service and the solution has additional benefits and opportunities to add value or otherwise enhance the delivery of the required outputs.	4
An excellent response	The solution shows that the Potential Provider understands the Councils' requirements, offers excellent and highly attractive risk and commercial positions, has a robust methodology, service delivery plan or other processes and resources to deliver the service and the solution has significant ability to add value or otherwise enhance the delivery of the outputs.	5

## CABINET

### KEY DECISIONS/ WORK PROGRAMME AND EXECUTIVE DECISIONS MADE

#### January 2016

Cabinet is required to publish its Key Decisions and forward work programme to inform the public of issues on which it intends to make policy or decisions. The Overview and Scrutiny Committee also notes the Programme, which is subject to regular revision.

Report Title	Ref (Note 1)	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y?	Cabinet Member (Note 2)	Service (Note 3)
Procurement of a range of services with other authorities	Mar 15	For approval – decision on the company or organisation who will provide services such as Revenues and Benefits, IT, HR and frontline reception as part of a 8 year contract <i>NB An extra Cabinet meeting to consider this item has been scheduled for 21 January 2016</i>	Jan 16			BB	CX
SANG: Identifying Provision and Priorities	Dec 15	Report for consideration	Feb 16			SP	PP
Establishment of a Local Housing Company	Oct 15	Update on the formation of a local housing company.	Feb 16			SG	H
Consideration of the extension or reprocurement of the Waste Collection Services	Dec 16	For approval – decision on whether to seek to extend the existing contract or reprocure.	Feb 16		Y	SF	TS&EM
Treasury Management Strategy	Annual	Update	Feb 16			KC	F
2016/17 Revenue Budget, Capital Programme and Council Tax Proposals	Annual	Approval. Recommendation to Council.	Feb 16			KC	F
Installation of Electric vehicle charging points	Nov 15	Consideration of installing charging points in car parks	Feb 16			SF	TS&EM

<b>Report Title</b>	<b>Ref (Note 1)</b>	<b>Outline/Reason for Report/Comments</b>	<b>Original Due Date</b>	<b>Revised Due Date</b>	<b>Key Decision Y?</b>	<b>Cabinet Member (Note 2)</b>	<b>Service (Note 3)</b>
Parking Concessions and on-street Parking	Dec 15	Review of current on- and off- street parking strategy	Feb 16			MM	TS&EM
Corporate Plan	Dec 15	Consultation results and implementation plan.	Feb 16			L	CX
Car Parking Maintenance Review	Dec 15	Overview of how we are maintaining our car parks and how we effectively make use of our resources	Mar 16			MM	TS&EM
Fleet Car Park Charges and Pay on Exit parking	May 15	Report from Task and Finish Group with recommendations.	July 15	Mar 16	Y	MM	TS&EM
Budget Monitoring	Quarterly	Quarterly Budget Monitoring	Mar 16 Dec 16			KC	F
Service Plans	Annual	Service Plans 2016/17	April 16			BB	All
Revenue and Capital Outturn 2014/15	Annual	Report on outturn	July 16			KC	F
Treasury Management Outturn	Annual	Report on outturn	July 16			KC	F
Ecology and Countryside Capital Works Programme 2016-2019	Oct 16	For approval	Jan 16	TBC	Y	AC	L&EP
Odiham Neighbourhood Plan	Nov 15	Response to submission documents	TBC			SP	PP

Notes:

- 1 Date added to Programme
- 2 Cabinet Members
  - L – Leader & Planning Policy (SP)
  - KC Economic Development
- 3 Service:
  - JCX Joint Chief Executive
  - CS Community Safety
  - F Finance
  - SLS Shared Legal Services
  - BB Corporate Services
  - SG Housing
  - HS Housing Services
  - CCS Corporate & Customer Services
  - PP Planning Policy
  - MO Monitoring Officer
  - AC Community Welbeing
  - JK Regulatory Services
  - RS Regulatory Services
  - L&EP Leisure and Environmental Promotion
  - TS &EM Technical Services and Environmental Maintenance
  - SF Environment
  - MM Town Regeneration

**EXECUTIVE DECISIONS**

None



## **CABINET**

**Date and Time:** Thursday, 21 January 2016 at 7pm

**Place:** Council Chamber, Civic Offices, Fleet

**Present:**

## **COUNCILLORS**

Burchfield, Crookes, Forster, Gorys, Kennett, Morris, Parker (Chairman)

**In attendance:** Bailey, Collett, Cockarill, Crisp, Radley JE

### **Officers:**

Patricia Hughes	Joint Chief Executive
Gill Chapman	Committee Services

## **98 MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting of 7 January 2016 were confirmed and signed as a correct record.

## **99 APOLOGIES FOR ABSENCE**

Apologies had been received from Councillor Crampton.

## **100 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman announced that errors had been found in the local plan consultation documents and the decision had been made to stop the consultation. The Leader and Officers were considering how best to move forward, with the intention to get the consultation going again as soon as possible, hopefully next week. Members would be kept informed.

## **101 DECLARATIONS OF INTEREST**

None declared.

## **102 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)**

Mr Geoff Hislop, Civil Enforcement Manager (Parking), made a statement, pointing out his concerns, and particularly what would be lost if the planned joint procurement project went ahead. He questioned whether all areas of work would be covered in the contract, and how some areas could be controlled remotely. He stated that whilst he and his team wanted to provide the best services, he did not think it was in the best interest of the Council to outsource the parking services.

## 103 JOINT PROCUREMENT OF SERVICES

Cabinet considered the recommendation to Council regarding the commissioning of a range of services, including both 'soft services' such as revenues and benefits and a range of 'back office services' and 'hard services' such as Facilities Management, Property and Car Parks.

Whilst some appendices to the report were marked as Confidential, Members agreed to keep the discussions open and not exclude the public.

The Joint Chief Executive introduced the item, summarising the benefits, and any disadvantages. This had been a large piece of work, resulting in a complex contract covering multiple services across five councils. The report detailed the minimum guaranteed savings, but savings were expected to be more with the client team driving towards maximum savings.

Members congratulated the Joint Chief Executive on the hard work put into the project and its potential savings. Members considered the following issues:

- It was noted that the minimum savings identified were guaranteed
- Economies of scale meant Hart was in a much better negotiating position
- Client Team costs were proportionate to the Hart part of the contract
- Emergency Planning and Elections were supported by staff across the Council - there was no reason why staff on the premises, but not employed by Hart, should not take a part in this support
- The IT contract had flexibility enabling councils to plug in modules depending on their technology needs
- Contractors would be required to suggest improvements to a service that might reduce demand and therefore their own profit
- Concern was raised on the lower number of FTE's in parking would still be able to keep service standards and deliver savings
- The recommendations included delegated authority terms. If there were any significant changes on costings/savings at the preferred bidder stage a view would be taken as to whether to bring those back to Cabinet
- Could assurances be given that an aggressive approach to serving PCNs would not happen in Hart now and in the future. The Joint Chief Executive reported that any income would go directly to the authority, and therefore there would be no perverse motivation for the contractor to follow that course.
- Dispute resolution - Members discussed this extensively, particularly third party resolution, arbitration, collaborative working, proportionality of benefits and the impact on each of the five councils being unable to find their own solutions.
- If, at some future point, circumstances changed and there were overwhelming reasons and a strong business case for withdrawing from a service and/or the existing arrangements, there was the flexibility in the contract to do so. Any penalty clauses would have to be weighed against potential opportunity. Conversely, there was also the flexibility to opt in to a service Hart was not at present contracted to.
- There was a sixth council proposing to join who were already sharing services with one of the five.

- If any other councils wished to be included in the future, the proposals would be considered on an individual basis, and the Joint Committee would have a right of veto.
- More councils in the group may result in better savings for Hart.

Members asked that the Joint Chief Executive liaise with Mr Hislop on the issues he had raised and ensure that these were covered with the preferred bidder.

The Overview and Scrutiny Committee had put forward the view that members on the Scrutiny Joint Committee should be made up from members of the Hart Overview and Scrutiny Committee. Members agreed that this would be considered with the Cabinet recommendation at the full Council meeting (28 January 2016)

A vote was taken and it was unanimously:

## **RESOLVED**

That Cabinet agree to the outsourcing of Lot 1 and Lot 2 services on the following basis:

- A. Designates Capita as the preferred bidder for Lot 1 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder, to implement services earlier as set out in 5.6
- B. Designates Vinci as the preferred bidder for Lot 2 of the 5 Councils new joint corporate services contract commencing 1 October 2017 with delegated authority to the Joint Chief Executive in consultation with the Portfolio Holder for Corporate Services, to implement services earlier as set out in 6.6
- C. Authorises the Joint Chief Executive in consultation with the Portfolio Holder for Corporate Services, to agree final terms to enter into the contracts referred to in A and B and authorises the Solicitor to the Council to, following this, enter into contracts and make any other necessary agreements.
- D. Agrees to enter into an Inter Authority Agreement (IAA) with the four partner councils substantially in the form attached (Appendix 1) and delegates to the Joint Chief Executive authority to finalise the terms of the agreement and to enter into the agreement
- E. Agrees to the establishment of a joint client team, based on the principles established (Appendix 2), and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to seek any minor changes to the client team arrangements as necessary .

## **RECOMMENDATIONS to Council**

- F. The establishment of a Joint Committee in accordance with the details outlined in Appendix 3 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, to be

authorised to seek any minor changes to the Joint Committee terms of reference as necessary and be delegated to sign this agreement on behalf of the Council.

- G. The establishment of a Joint Overview and Scrutiny Committee with details outlined in Appendix 4 and to delegate authority to the Joint Chief Executive, in consultation with the Portfolio Holder for Corporate Services, be authorised to seek any minor changes to the Joint Overview and Scrutiny Committee terms of reference as necessary and be delegated to sign the agreement on behalf of the Council
- H The Monitoring Officer in consultation with the Chairman of Standards Committee and the Three Group Leaders be delegated to amend the constitution accordingly

#### **I04 CABINET WORK PROGRAMME**

The Cabinet Work Programme was considered.

The meeting closed at 8.15 pm