



# Sheffield Council

**Capita in Local Authorities**

Local Authority	Performance Issues	Cost Issues	Contract Status
Sheffield Revs & Bens & IT			Brought back in-house

**November 2018 Briefing Number 2**

**Part Two**

## What happened in Sheffield Council Part Two?

*On 17 October 2018, Sheffield Council Cabinet Committee met to discuss ending all of the other services provided by Capita.*

*Below is a series of comments and extracts from that Cabinet Committee. Please note that the use of **emphasis/underlining** is made by Barnet UNISON.*

### 1. What did they decide?

On 17 October 2018 Sheffield Council agreed to the following:

*“In the context of ongoing work around the Welfare Review and the need for a more flexible, responsive and sustainable service delivery model it is proposed that the contract with Capita in relation to those services is brought to an end in 2020. The recommended option at this stage is to **insource** all services.”*

### 2. I thought Finance and Revs & Bens were one of Capita core services?

That is a common belief. Capita has previously sold Finance & Revs and Bens as one of the key parts of its business. However in the Cabinet report there are some worrying comments made about other services which were brought back earlier.

*“The Capita Partnership contract commenced in **2009**, under which Capita is responsible for the delivery of various Council services until January 2022. Capita and the Council **agreed to insource** Customer Services including the Contact Centre **in 2016** and Human Resources services in 2017. We have also brought to an end the cashiers and **schools HR services**.”*

### 3. How did Sheffield originally come to this decision?

Sheffield Council instructed officers to come up with options:

*“The Council has the option of exercising a **break clause** in the contract in order to **terminate** it in January 2020 prior to contract expiry in January 2022.”*

*“A detailed SWOT analysis has been completed in respect of the following options. Initial cost modelling has also been undertaken to identify the estimated financial impact of each option.”*

*“In the context of ongoing work around the Welfare Review and the need for a more flexible, responsive and sustainable service delivery model it is proposed that the contract with Capita in relation to those services is **brought to an end in 2020**. The recommended option at this stage is to **insource all services**.”*

### 4. What options were considered?

- *“Do nothing – i.e. the baseline position of remaining with Capita under the current contract until 2022.*
- *Terminate the Capita Contract and insource all services in 2020.*
- *Terminate the Capita Contract and re-procure all services in 2020.*
- *Hybrid Delivery – i.e. combination of the insourcing and reprocurement options above.*
- *Renegotiation – i.e. remaining with Capita until either 2020 or 2022 on the basis of reducing the current cost of the contract.”*

## Recommended Option:

*“The recommended option is to **take back direct control** of the Revenues, Benefits and FBT services, with transfer or reprocurement of some elements of their supply chain. Under this option the Council would **terminate the Capita Partnership in 2020** and **insource** Revenues & Benefits & FBT services.”*

## 5. What are the advantages of this option?

*“The key advantage of the recommended option is this would give the Council control of Revenues & Benefits & FBT from 2020 with **full transparency of operations and underlying costs**. This would provide better opportunities for joined up working within the Council and developing service delivery to meet changing needs and priorities.”*

*“Some of the resource saving opportunities identified in the proposed options could be utilised to **invest** in service delivery and **improve** the service delivered to Sheffield citizens (and **potentially increase council revenue collection**).”*

## 6. When will this happen?

*“Our current target is to have responsibility for Revenues, Benefits and FBT services **back** under the Council’s control, as per this recommended option **in 2020**.”*

*“This option gives us the **opportunity** to take back control over the future direction of the services and continue to deliver high performance through our **own** workforce.”*

Barnet UNISON Office, Barnet House, 1255 High Road, Whetstone,  
London N20 0EJ . Telephone: 020 8359 2088.Fax: 020 8368 5985.

Email: [contactus@barnetunison.org.uk](mailto:contactus@barnetunison.org.uk)  
[www.barnetunison.me.uk](http://www.barnetunison.me.uk)