




Southampton Council & the risk of delays

Capita in Local Authorities

Local Authority	Performance Issues	Cost Issues	Contract Status
Southampton IT & Finance			Brought back in-house

February 2019 Briefing Number 4

“Southampton staff affected as council ends Capita deal.”

24 July 2018

“Capita has run Southampton's customer services, HR pay, revenues and benefits, procurement, health and safety, print, post room and IT services for 11 years.”

<https://www.bbc.co.uk/news/uk-england-hampshire-44937942>

Barnet UNISON comment: There was no Council Committee decision publicly made before this announcement until Southampton Council held a Cabinet meeting on **18 September 2018**. The report to Cabinet Committee was confidential and only the following was reported:

Cabinet: Tuesday, 18th September, 2018 4.30 pm

Update on Strategic Services Partnership

Confidential report of the Leader detailing an update on the Strategic Services Partnerships.

Minutes:

- (i) The Service Director for Digital and Business Operations, after consultation with the Leader and Cabinet Member for Finance and Customer Experience, is authorised to commence formal dispute resolution proceedings over commercial disputes with Capita if required;*
- (ii) Adult social care expenditure is included in the Procurement Guarantee for the purposes of the Council's claim in the event of formal dispute resolution;*
- (iii) A 'no comment' policy continues to apply while commercial negotiations with Capita continue;*
- (iv) The Service Director for Digital and Business Operations is authorised to instruct Capita's Procurement team to immediately begin procurement of a Revenues and Benefits system and any other systems or products deemed essential to the continued delivery of services to staff, Members and the public, to ensure no service interruption;*
- (v) The Service Director for Finance and Commercialisation is authorised to highlight the financial risks posed by the Capita claim and the cost of an arbitration process as*

necessary in public budget consultation documents, which may need to set out what additional savings are required as a result of not reaching agreement with Capita.

<https://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=126&MId=3826&Ver=4>

The decision to end the contract with Capita was publicly reported the following month in the minutes of the Cabinet Committee.

Cabinet: Tuesday, 16th October, 2018 4.30 pm

19. UPDATE ON STRATEGIC SERVICES DECISION MADE: (CAB 18/19 21455)

On consideration of the confidential report of the Leader and Clean Growth and Development, Cabinet agreed the following:-

(i) Cabinet approved the recommendations set out in the confidential report.

<https://www.southampton.gov.uk/modernGov/documents/s37129/Minutes.pdf>

What happened next?

TUPE transfer negotiations are currently taking place with staff due to transfer back into Southampton Council by July 2019. This will mean a large contract with Capita will be terminated and services transferred back to the Council **within 10 months**.

Barnet UNISON comment:

In our report to Policy and Resources Committee in December 2018 we identified serious risks with the prolonged 18 month review of both Capita contracts.

Feedback from our members of staff vacancies and changes are undermining morale.

It has become evident that vacancies on the Capita contract are not helping provide services for the Council or for residents.

Capita: Commissioner and User satisfaction.

Indicator title	Polarity	2018/19 Target	Oct-Dec 18 Target	Oct-Dec 18 Result	Oct-Dec 17 Result	Long term Direction of Travel	RAG Rating
User satisfaction -Estates	Bigger is Better	4.12	4.12	3.43 (R)	3.44	W (-3%)	Red
User Satisfaction -Finance	Bigger is Better	3.41	3.41	2.89 (R)	2.7	I (7.0%)	Red
User Satisfaction-HR	Bigger is Better	4	4	3.18 (R)	3.21	W (-9%)	Red
User Satisfaction-IT	Bigger is Better	3.79	3.79	3.12 (R)	3.29	W (-5.2%)	Red
User satisfaction-Procurement	bigger is Better	3.28	3.28	3.21 (R)	2.83	I (13.4%)	Red
Commissioner Satisfaction - Estates	Bigger is Better	3.85	3.85	2.38 (R)	2.41	W (-1.2%)	Red
Commissioner Satisfaction - IS	Bigger is Better	3.45	3.45	2.51 (R)	2.85	W (-11.9%)	Red
Commissioner Satisfaction - Procurem't	Bigger is Better	3.32	3.32	3.01 (A)	3.28	W (-8.2%)	Amber
Commissioner Satisfaction - HR	Bigger is Better	3.8	3.8	2.87 (R)	2.75	I (4.4%)	Red
Commissioner Satisfaction – Finance	Bigger is Better	3.68	3.68	2.03 (R)	2.96	W (-31.4%)	Red

The table provided above by Barnet Blogger Mr Reasonable paints a worrying picture. Things are getting worse not better and it is not the union saying it, it is the “Users” and the “Commissioners”.

Barnet UNISON comment: It’s not working, Commissioners by their own admission are unable to hold Capita to account. Barnet Council needs to grasp the nettle and announce the end of both contracts and set out a clear transition plan for the return of services and their budgets.

Highways Service.

“Risk ID OP14: Insufficient staff in Highways: “Difficulties in retaining experienced and qualified Highways staff could lead to non-qualified staff being tasked to deliver specialised priority tasks resulting in poor delivery of tasks, non-compliance to statutory design requirements/standards, risk of Injury, insurance.”

(Source: Corporate Risk Register 20 February, 2019, Policy and Resources Committee <https://barnet.moderngov.co.uk/documents/s51205/Appendix%20A%20Corporate%20risk%20register.pdf>)

Barnet UNISON comment: This is a high profile service and we can confirm that this risk is still real. The prolonged delay on the decision to bring the service back under Council control is exacerbating the issues and the knock on negative impact will continue to be felt by residents.

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