

## MUNICIPAL YEAR 2015/2016 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY:

### PORTFOLIO DECISION OF:

Cllr Ahmet Oykener  
Cabinet Member for Housing &  
Housing Regeneration

### REPORT OF:

Director – Regeneration &  
Environment

<b>Agenda – Part: 1</b>	<b>KD Num: 3899</b>
<b>Subject: Post Tender Report for Gainsborough and Bonington Houses – Service Repair Works</b>	
<b>Wards: Southbury</b>	

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### 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval for acceptance of the tender received from Contractor 1 that represents the lowest price and complies with the tender requirements of the Council for service repairs as part of the Council's Capital Works Programme.
- 1.2. This is a Key Decision of the Council and is on the Key Decision List Reference KD 3899
- 1.3. Five contractors from the Construction Line list were invited to tender on the basis of single stage selective tender and three tenders were submitted. The tender offering the lowest price complies with the tender requirements of the Council and is recommended.

### 2. RECOMMENDATIONS

- 2.1 That the proposed scheme is to be funded from the 2015/2016 Housing Capital Programme
- 2.2 That approval is given to accept the lowest price tender complying with the tender requirements of the Council submitted by Contractor 1 (See Part 2 for Details)

### **3. BACKGROUND**

- 3.1. The scheme is part of Capital Works programme 2015/2016.
- 3.2 The consultant was appointed through a selective tendering process using the ProContract procurement system to procure works from inception to completion. (See Part 2 for Details)
- 3.3. The original scheme was selected on the basis of the blocks having historically experienced problems associated with leaking above ground drainage services pipework and water mains pipework contained within the services riser ducts. The Client brief being to undertake a systematic detailed survey of all of the service riser ducts and carry out remedial repairs necessary to extend the life of the pipework by 4-5 years. The service risers serve 176 properties within the 2 blocks. Leaseholder will not be charged for these works.
- 3.4 The initial pre-tender estimate for the works was £200,000.00
- 3.5 Five contractors from the Construction line list were invited to tender. However two of which declined to tender for the work. Details of the tender figures received and summary analysis of the lowest are set out in Part 2.
- 3.6 The lowest tender obtained in the sum of £293,038.03 was reached by competitive tendering.
- 3.7 The contract was procured under the JCT Minor Works Building Contract, 2011 Edition.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 An alternative option was considered to renew all the above ground drainage and mains water supply pipework in its entirety throughout both blocks with residents in occupation. However this option was not considered viable on the grounds of overall cost to the council and potential disruption the works would cause to residents. In addition the council's long term plans for the estate were also a deciding factor in proceeding with the repair option.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The two blocks are eleven storeys high. They are identical and each comprises 88 flats with a wing each side of a central lift lobby, containing 4 flats to each floor. Each pair of flats shares a service duct accessible from the corridor. This gives a total of 176 flats with 8 service ducts each serving 22 flats.
- 5.2 The works comprise of repair of continual leaks to the heating, hot and cold water pipes and soil and vent pipes within the ducts.
- 5.3 These works may require removal and reinstatement of kitchen units/ bathroom fittings and associated redecoration.
- 5.4 In addition, the ducts have to be upgraded to comply with the compartmentation requirements of current fire regulations.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **6.1 Financial Implications**

- 6.1.1 The comments of the Director of Finance, Resources & Customer Services are detailed in Part 2 of this Delegated Authority Report. The scheme has been reported as part of both the five year and annual procurement plans.

### **6.2 Legal Implications**

- 6.2.1 The Council has the power to alter, repair or improve its housing stock in accordance with Section 9 of the Housing Act 1985.
- 6.2.2 The Council further has power under Section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 6.2.3 Throughout the engagement of both Contractor 1 and the Consultant, the Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.
- 6.2.4 The Council must comply with The Public Contracts Regulations 2015 and (where still applicable) The Public Contracts Regulations 2006. The projected fees for professional services and the estimated value of the

proposed works are below The Public Contracts Regulations 2015 financial thresholds and therefore the full EU procurement procedures do not apply. However, the Council does need to be mindful of the EU general principles with regards to equality, transparency, proportionality and non-discrimination.

6.2.5 The client has confirmed that both tendering exercises were carried out in accordance with the Council's Constitution and, in particular, the Contract Procedure Rules.

6.2.6 Construction line is used as a pre – qualification service in the construction Industry. The use of pre-qualification services for works is reflected in the Council's Contract Procedure Rules (CPRs) in section 25.

6.2.7 The formation of any resultant legal contracts required in association with this matter must be in a form approved by the Assistant Director of Legal Services and should identify key activities and outputs so that contract performance can be properly and regularly monitored.

6.2.8 As the value of the contracts involved in this matter exceed £250,000.00, the Council must follow the Key Decision Procedure.

6.2.9 Pursuant to the CPR 21, for every contract exceeding £250,000 the Council is required to obtain a performance bond or a parent company guarantee. In this case, this requirement will apply in relation to the works contract and Contractor 1.

### **6.3 Property Implications**

6.3.1 Council's standard residential lease places the obligation on the Council to undertake necessary repairs, and permits the Council to make improvements, all as proposed above.

### **6.4 Leaseholder Implications**

6.4.1 There are No Leaseholder Implications on this Project

## 7 KEY RISKS

7.1 The main risks to the scheme are presented in tabular form below together with the corresponding mitigation actions.

• Key: H = High, M = Medium, L = Low

Item	Risk	Impact	Probability	Mitigation	Owner
1	Non Delivery of Project	H	M	Develop project delivery plan, commission consultants and contractor ASAP.	Housing Professional Services (HPS)
2	Quality Issues	H	M	Set benchmark, monitor site meetings through Contract Administrator (CA) & Clerk of Works (COW) reports, measure continuous improvements using KPIs.	HPS PM
3	Cost Overrun	M	L	Rigorous Cost Planning, early reporting, comprehensive specification, inclusion of contingencies, tender analysis.	HPS PM
4	Time Overrun	H	M	Manage approvals stage – instil sense of urgency by senior staff. Monitor programme, monthly progress reports & LADs.	HPS PM
5	Extended Consultation	M	M	Establish key milestones and communication strategy at the outset.	HPS
6	Additional Works Identified	M	M	Detail and agree scope of works, prioritise core DHS works and use contingency	HPS

## 8 IMPACT ON COUNCIL PRIORITIES

8.1 **Fairness for all:** The proposed works will reduce the reactive maintenance and reduce disruption and inconvenience to residents. Undoubtedly, the proposed scheme will assist in meeting the Council's objectives by providing economically successful and socially inclusive communities.

8.2 **Growth and Sustainability:** Not Applicable

8.3 **Strong Communities:** The project promotes Key Council values and places emphasis on residents' empowerment and participation through involving residents groups in the consultation process from inception to completion. The scheme addresses the Council's objective by involving the public in the decision making process and help them play an active role in their local neighbourhoods.

## **9 EQUALITIES IMPACT IMPLICATIONS**

It is not deemed relevant or proportionate to carry out an equality impact assessment/analysis for the approval of the tender that represents the lowest price and complies with the tender requirements of the Council for external repairs as part of the Council's Capital Works Programme

## **10 PERFORMANCE MANAGEMENT IMPLICATIONS**

The works will potentially benefit 176 properties by reducing the level of un-planned reactive maintenance within the service risers on the blocks. The performance of the contractor is measured by the implementation of Key Performance Indicators compiled a on a monthly basis. These are scored by the Contract Administrator and representatives from the Councils officers.

## **11 HEALTH AND SAFETY IMPLICATIONS**

11.1 The project is notifiable to the Health and Safety Executive (HSE) under the Construction (Design and Management) Regulations 2015 (CDM).

11.2 A Pre-Tender Health and Safety Plan was submitted with the tender and the Contractor will submit a Pre-Construction Health and Safety Plan once appointed. This will be updated throughout the contract and a Health and Safety File issued upon completion of the works.

## **12. HR IMPLICATIONS**

This section is not applicable for this particular scheme.

## **13. PUBLIC HEALTH IMPLICATIONS**

The proposed works seeks to eliminate any potential risk of cross contamination between waste water and mains water supply that share the service riser ducts.

## **14. BACKGROUND PAPERS**

None



## MUNICIPAL YEAR 2015/2016 - REPORT NO.

### PORTFOLIO DECISION OF THE CABINET MEMBER FOR FINANCE & EFFICIENCY

**REPORT OF:** James Rolfe – Director of  
Finance, Resources & Customer Services

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<b>Agenda - Part: 1</b>	<b>Item:</b>
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<b>Subject: Procurement of a Co-Sourcing provider for Legal Services</b>
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<b>Wards: non specific</b> <b>Key Decision No: KD4162</b>
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<b>Cabinet Member consulted: Cllr. Andrew Stafford</b>
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#### 1. EXECUTIVE SUMMARY

- 1.1 The legal department ("Legal Services") has undertaken a review of how its commercial legal services are delivered to the Council. The Council's major projects and regeneration schemes require technical, specialist legal advice and assistance.
- 1.2 Legal Services has seen a significant reduction in its fee earners in the Major Contracts and Commercial team (the "Contracts Team") with the accompanying loss of specialist technical expertise. The department has attempted to recruit to the posts without success due to market forces.
- 1.3 The Council has delivered a number of internal improvement and transformation initiatives having undertaken a similar exercise with both its Internal Audit function and its Property Services function, considers the co-sourcing route to be a preferred model for service delivery in Enfield and for its "Legal Services" function.
- 1.4 This route will provide the key skills and practice needed to further improve Legal Services and to deliver on major projects the Council has in hand. It will also provide access to a wider and deeper pool of Legal expertise than would be possible through the solely in-house team.
- 1.5 Legal Services has successfully conducted a procurement process in accordance with the Crown Commercial Service ("CCS") Legal Services Framework (ID: RM919) (the "Framework") whereby all interested suppliers listed under "Lot 8 – Major or Complex Projects" were invited to participate in a further competition.
- 1.6 Two bids were received and the evaluation panel marked and moderated the bids by early November 2015. Contractor A scored the highest percentage marks on both the quality and price of their bid.

## **2. RECOMMENDATIONS**

**2.1 That the Portfolio Member for Finance & Efficiency and the Director of Finance, Resources & Customer Services:**

2.1.1 agree the service delivery approach of co-sourcing and its associated benefits to be the most pragmatic for the Council recognising that it will strengthen and enhance the provision of the in-house legal services.

2.1.2 agree the outcome of the procurement process and authorise Legal Services' decision to award the contract to Contractor A for the period of two (2) years with the possibility of a further one (1) year extension, subject to:

- > the Framework being further extended by the CCS, to 31<sup>st</sup> January 2017;
- > adequate funding and;
- > the satisfactory performance of Contractor A

**2.2 That the Portfolio Member for Finance & Efficiency delegates finalisation and signature of the contract (and all ancillary documentation) to the Director of Finance, Resources and Customer Services.**

## **3. BACKGROUND**

3.1 Local Authorities are experiencing unprecedented changes in the way services are to be delivered against a backdrop of increasing financial austerity. There is therefore, not only a need to consider alternative service delivery models that enhance performance and efficiency, but also the need to optimise returns from the assets they hold.

3.2 Meeting the challenges Local Authorities are facing, as well as the need to strengthen and enhance Legal Services and to optimise returns (e.g. income generation from s.106 agreements etc.) demands a Legal Services department that is commercial, offers value for money and is flexible enough to adapt to changing requirements.

3.3 Several 'legal services' delivery models have recently been embarked upon across the country, ranging from outsourcing through to joint ventures. With the Council, it is an appropriate time to approach the market to identify a potential Co-Sourcing partner that can provide an immediate boost to the capacity of the in-house Legal Services team whilst assisting with the provision of legal services and meeting future priorities.

3.4 An innovative service delivery model that ensures the Council receives top-class professional resources to dispense its services is required. Consequently, any proposed new operating model should allow flexibility over the coming years to respond to challenges and opportunities.

3.5 Having considered a variety of service delivery options, a 'Co-Sourcing' delivery model offers the best solution for Enfield. The arrangement will:

- > immediately boost the capacity of the Contracts Team by providing a lawyer for a minimum of 3 days a week. There is a high demand for experienced commercial



contract lawyers in both the private and public sector. The strong market is presenting challenges for the Council in terms of retention and recruitment.

- > give fast access to additional and flexible legal resource of suitably qualified lawyers in a wide range of legal specialisms

- > develop the strengths of the Contracts Team by sharing legal expertise and practical "know-how" on delivering an even more commercially focused and innovative legal service (this would otherwise have to be sourced on an ad-hoc and possibly less cost effective manner).

- > provide regular training and development opportunities to the in-house Legal Team as required by the Solicitors Regulation Authority.

#### **4. OVERVIEW OF THE STRATEGIC BUSINESS CASE**

4.1 The Council is facing challenges to deliver savings in costs whilst simultaneously maintaining quality and adequate resources in the services it delivers.

4.2 Since January 2015 the number of in-house lawyers in the Contracts & Commercial Team has declined from 8 to 4 fee earners (1 full time lawyer, 1 part time lawyer (working 2.5 days), 1 full time locum and 1 full time unqualified legal officer).

4.3 A full Contracts & Commercial Team should consist of 6 fee earners. The Council has actively sought to recruit for the past year (conducting a full recruitment exercise) but there is a high degree of competition for suitably qualified lawyers. As well as the difficulty in recruiting for locum lawyers, there is a high churn rate and permanent recruitment is not a feasible, long term plan. In the short term, the Council must secure access to high quality, efficient legal advice and assistance on an 'as required basis', at an affordable cost.

4.4 Co-Sourcing is one solution to meet the challenges Legal Services currently faces. In implementing and delivering an efficient co-sourced service which is tailored to the needs and requirements to the Council, the Contracts & Commercial Team would use the knowledge gained through the successful Co-Sourcing arrangements with GVA Grimley (for strategic Property Services) and PricewaterhouseCoopers (for Internal Audit).

4.5 The proposed Co-Sourcing arrangement will immediately boost the capacity of the in-house Legal Services team by providing a lawyer for a minimum of 3 days a week. There is a high demand for experienced commercial contract lawyers in both the private and public sector. The strong market is presenting challenges for the Council in terms of retention and recruitment. It would also enable Legal Services to be an even more commercial and business focused department. The arrangement would enhance the Council's ability to achieve its aims and objectives.

4.6 The Co-Sourcing arrangement will be non-exclusive, allowing the Council flexibility to use other frameworks/conduct other procurements as required. This approach will enable benchmarking and will mitigate any scope for complacency by the successful Co-Sourcing partner.

## 5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Table 1, below outlines six different delivery options and summarises the key advantages and disadvantages of each option:

**Table 1:**

Option	Advantages	Disadvantages
Do nothing and retain current service arrangement	<ul style="list-style-type: none"> <li>&gt; Council would retain complete control over service delivery</li> <li>&gt; Council would avoid set-up costs and effort involved in setting up a contract management team</li> <li>&gt; Council would avoid the risk of poor contractor performance and poor contract management</li> </ul>	<ul style="list-style-type: none"> <li>&gt; The current service arrangement is significantly stretched in terms of capacity and capability. It would not be able to take on additional work without additional expenditure</li> <li>&gt; The current structure is proving difficult to manage</li> <li>&gt; Council retains all risk relating to the quality of service delivery and how future savings are achieved</li> <li>&gt; delay in engaging with clients and progressing matters will persist</li> </ul>
In-house transformation	<ul style="list-style-type: none"> <li>&gt; Reduced costs</li> <li>&gt; Knowledge of transformation and lessons learnt potentially retained in-house and transferred to other departments</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Pressures faced by the organisation may result in a lack of focus and dilution of effort</li> <li>&gt; Staff undertaking transformation must have a good grounding and understanding of legal matters (recruitment of such individuals considered to be challenging)</li> <li>&gt; The Council retains all risk relating to the quality of service delivery and how future savings are achieved</li> </ul>
Shared service with another public sector organisation	<ul style="list-style-type: none"> <li>&gt; Reduction/sharing of costs</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Respective services need to be evaluated and merger plans need to be prepared but such plans can be fettered by competing borough objectives</li> <li>&gt; Prioritisation of competing borough objectives and tasks can be challenging.</li> <li>&gt; Control is potentially diluted</li> </ul>
Outsourcing	<ul style="list-style-type: none"> <li>&gt; Reduction of costs</li> <li>&gt; Increased capacity and capability</li> <li>&gt; Achieves service performance levels quickly</li> <li>&gt; The Council can select those</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Loss of control, however, depends on contract and performance management measures put in place</li> <li>&gt; May lose customer focus</li> </ul>

	<p>services it believes would benefit most from outsourcing or carry least risk</p> <ul style="list-style-type: none"> <li>&gt; The Council is able to hold the service provider to account pursuant to the contractual arrangement and incentivise performance through a price/performance mechanism</li> <li>&gt; The Council frees itself from day-to-day delivery of non-core services so that it can focus on strategy, evaluation and commissioning</li> </ul>	<p>&gt; TUPE issues and potential job losses</p>
Co-Sourcing	<ul style="list-style-type: none"> <li>&gt; Retains an in-house clienting function</li> <li>&gt; Retains core skills in-house</li> <li>&gt; Obtains leadership and ownership in development and delivery</li> <li>&gt; Transformation skills retained in-house</li> <li>&gt; Knowledge transfer</li> <li>&gt; Flexibility to adapt to organisational needs</li> <li>&gt; Tailored to the needs of the organisation as well as to the information at hand thereby allowing transformation to evolve</li> <li>&gt; Shared vision</li> <li>&gt; Partnership working</li> <li>&gt; Management energy and drive</li> <li>&gt; Skills transfer and learning and development opportunity for in-house staff</li> <li>&gt; The Council is able to hold the service provider to account pursuant to the contractual arrangement and incentivises performance</li> <li>&gt; The Council frees itself from day-to-day delivery of non-core services so that it can focus on strategy, evaluation and commissioning</li> <li>&gt; Pace of transformation is measured</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Impact not easily noted initially</li> <li>&gt; Lack of movement from in-house resources could have a negative impact on the co-source provider</li> <li>&gt; Potential duplication of efforts in the early periods</li> <li>&gt; Higher initial costs</li> </ul>

## 6. PROCUREMENT

6.1 Legal Services has undertaken key pre-procurement activities such as; identifying gaps within the existing service and discussing key improvements in order to achieve future outcomes. The increasing demand on the Council to deliver legal services has compelled the Legal Services team to instigate the service transformation as soon as possible and it is hoped that the Co-Sourcing contract shall commence in late 2015.

6.2 A sifting process of known framework agreements was undertaken to determine the Council's eligibility; the appropriateness of the contracting terms and conditions for the Council and the ability to comprehensively cover the scope of services required by the Council. It was also considered necessary to minimise procurement costs therefore the use of an existing EU compliant Framework was considered to be the only credible option and due diligence checks were undertaken by Corporate Procurement. All supplier background checks have previously been completed by the Crown Commercial Service.

6.3 The CCS Framework was identified as the most appropriate route through which to procure the Co-Sourcing service.

6.4 The procurement process was divided into 2 stages:

- > Stage 1: conducting a capability assessment ("CA")
- > Stage 2: conducting an invitation to further competition ("ITFC")

6.5 Stage 1 was primarily undertaken to test market interest in the proposed Co-Sourcing arrangement. Of the 24 suppliers under Lot 8 of the Framework, 10 expressed an interest to participate in the further competition, 2 explicitly declined and the other 10 remained silent. All suppliers were informed that they must be registered on the Council's E- Tendering portal site ([www.londontenders.org](http://www.londontenders.org)) in order to access the ITFC pack and bid.

6.6 Both stages included clarification rounds whereby bidders could obtain additional information/clarity. In addition the Council was able to obtain clarification on the submissions made by bidders during Stage 2.

6.7 Scoring was weighted 70% quality and 30% price.

## **7. REASONS FOR RECOMMENDATIONS**

7.1 The nature of the Council in terms of its complexity, style and culture requires a new service delivery paradigm that is flexible, allows for partnership working but yet, remains under direct Council control.

7.2 Collaborative approaches to service delivery are known to deliver a wide range of benefits that enhance competitiveness and performance (such as better cost management, improved time and resource; and delivering incremental business value and innovation).

7.3 Co-Sourcing is the most credible option to deliver the transformation and leadership necessary to achieve the outputs discussed at paragraph 3.5 above.

7.4 It was recommended that the Council access the Framework and undertake a further competition as this would provide Legal Services with a more efficient way of identifying a successful supplier. The business case was considered and approved by the Council's Strategic Procurement Board in accordance with the Council's Contract Procedure Rules ("CPR's").

7.5 Competitive tension was maintained throughout the tendering process and evaluation rigour was maintained in line with the stated criteria and evaluation approach. In addition, benchmarking was undertaken to determine value for money.

## **8. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **8.1 Financial Implications**

8.1.1 Levels of work within Legal Services, often fluctuates through the course of the year. Such fluctuation directly correlates with potential costs and savings. Given that the Co-Sourcing arrangement is non-exclusive in nature and that it will be called upon on an 'as and when basis' (when Legal Services is at full capacity), any predictions on cost/potential savings to be realised from the Co-Sourcing contract, will be inaccurate.

8.1.2 The costs of the procurement and call-off contract arising from this procurement exercise will be kept within the existing resources of Legal Services, whilst providing for an effective, improved service.

### **8.2 Legal Implications**

8.2.1 Section 111 of the Local Government Act 1972 ("LGA") gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions and the Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. In addition, section 112 of the LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.

8.2.2 The Council's Constitution, in particular the Contract Procedure Rules ("CPR's") permit the Council to call-off from an existing framework as long as the framework terms permit such. The Council's Corporate Procurement Service has conducted due diligence on the use of the Framework, and is satisfied that the Council may procure such services, in accordance with the Framework. The Council has procured the services through a further competition process in accordance with the Framework terms with assistance from the Council's Corporate Procurement Service. The Framework requires the resulting call-off contract to be based on the Framework terms and the tendered contract is based on the same. Contractor A has confirmed that the scope of the services under Lot 8 of the Framework encompasses the required services contained in the Specification.

8.2.3 Contractor A will be required, as part of the contract, to enter into secondment arrangements with the council for identified individuals. As such, appropriate secondment arrangements and individual confidentiality undertakings must be entered into by Contractor A. The same shall also apply to any trainee swaps which occur, during the course of the contract term.



8.2.4 The Council must ensure that the recommended tender provides best value to the Council in accordance with its best value obligations under the Local Government Act 1999 and must keep a clear audit train of its decision to award.

8.2.5 The proposed procurement approach and proposed award has been considered and approved by the Council's Strategic Procurement Board and the resulting call-off contract shall be drafted in accordance with the Framework and shall be in a form approved by the Assistant Director of Legal & Governance Services.

### **8.3 Property Implications**

None.

## **9. KEY RISKS**

9.1 Bidders were asked to have a minimum of the following insurance levels in place:

Professional Indemnity Insurance:	£5 million
Public Liability Insurance:	£5 million
Employer's Liability Insurance:	£10 million

9.2 See part 2 of this report for further risk analysis.

## **10. IMPACT ON COUNCIL PRIORITIES**

The Co-Sourcing arrangement would actively support the Council in achieving its Corporate Priorities.

### **10.1 Fairness for All**

Contractor A shall, during the contract term, demonstrate high levels of knowledge and experience in local government practices and procedures, including a sound knowledge and understanding of the Council's vision and corporate priorities.

Overall, co-sourcing will enable the Council to adopt a coherent and unified approach. The provision of an overflow service at times when Legal Services is at full capacity will enable the Council to ensure "business as usual" ensues and that all the needs of individuals within the borough are being met.

### **10.2 Growth and Sustainability**

Entering into the call-off contract with Contractor A will reinforce the strength of Legal Services and, in turn, strengthen the Council as a whole.

Additionally, the non-exclusivity of the arrangement, will not inhibit the Council from further growth, by entering into other arrangements of a similar nature, where required.

### **10.3 Strong Communities**



N/A

## **11. EQUALITIES IMPACT IMPLICATIONS**

11.1 While there are no direct equalities implications as a result of this report, all bidders were requested to be mindful of and to comply with:

- > the Code of Practice for the Elimination of Racial Discrimination and the Promotion of Equal Opportunity in Employment issued by the Commission for Racial Equality, and;
- > all Council "Equalities" standards.

11.2 The call-off contract terms and conditions stipulate that the contractor must comply with the Client's internal policies and procedures and Government codes and practices in force from time to time (including policies, procedures, codes and practices relating to equality and diversity)

## **12. PERFORMANCE MANAGEMENT IMPLICATIONS**

12.1 The effectiveness of a collaborative relationship changes over time due to:

- > internal or external influences;
- > changes in personnel;
- > changing perceptions; and
- > the quality and volume of core outputs delivered by the co-sourcing arrangement compared with those expected

12.2 Performance management measures are outlined in the ITFC. The call-off contract terms and conditions also include service level measures which shall be applied in order to objectively test the health and maturity of the co-sourcing arrangement. The Assistant Director of Legal & Governance and the Head of Legal Services will work closely with the Legal Services department in order to monitor the performance of Contractor A in delivering the core outputs of the co-sourcing arrangement and will attend (or nominate an appropriate in-house Legal Services team member to attend alongside/in their absence) the quarterly management meetings to review performance.

12.3 Adopting this approach allows for a strong emphasis on managing delivery, including:

- > strong project, programme or service management;
- > problem monitoring and resolution;
- > negotiation and management of change
- > promoting innovation in order to take advantage of new market opportunities

12.4 Across the life of the contract, it is expected that there will also be continual tests placed on the relationship between the Council and the co-sourced partner such as organisational / personnel / day-to-day operational changes to the

business circumstances of either party. Any of these can impact on behaviours and trust and, thus, impact performance. Trust is a key ingredient in optimising performance and develops over time based on past and anticipated performance and behaviours.

- 12.5 Performance management indicators will be regularly reviewed to ensure they remain valid and are supported at all levels to drive appropriate behaviours and attitudes. Regular reviews and feedback on behaviours are as important as performance reviews; these should test whether the relationship principles are being adhered to. Feedback will be a two-way and where appropriate remedial action to resolve any issues will be committed to, by all parties.
- 12.6 The performance management measures will be regularly reviewed by Legal Services to ensure they remain valid and are supported at all levels to drive appropriate behaviours and attitudes.

### **13. PUBLIC HEALTH IMPLICATIONS**

- 13.1 The co-sourcing arrangement will enhance and strengthen the provision of legal services to the Borough which will, in turn, promote all public health aspects of the Borough.

#### **Background Papers**

None