

MUNICIPAL YEAR 2019/2020 REPORT NO. **KD 4890**

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

**OPERATIONAL
DECISION OF:**
Executive Director of
Resources

Agenda – Part: 1

Item:

**Subject: Translation and Interpreting
Shared service Partnership extension
Wards: All
Key Decision No:**

**Cabinet Member consulted:
Cllr Mary Macguire**

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1. EXECUTIVE SUMMARY

This report seeks approval to extend the current shared service Partnership Agreement for the provision of Translation and Interpreting (T & I) Services until 31 March 2024.

Under the Partnership Agreement, the London Borough of Newham is the Host Partner and provides the Translation and Interpretation Service to the partners through its in-house Language Shop ("The Language Shop"). The Partnership includes a number of Councils and Health Authorities, including the London Borough of Redbridge, the London Borough of Hackney and Barts Health NHS trust. The parties agree to work in a collaborative, mutually beneficial and transparent way. Members of the partnership only pay for the services used and there is no up-front subscription.

The Agreement originally commenced on 6 October 2011. It was extended in April 2014 and is due to expire on 31 March 2019. The Partnership enables Enfield Council to continue to ensure that it is offering equality in access and excellent customer care for all service users, thereby making sure that the council remains compliant with the Public Sector Equality Duty (The Equality Act 2010).

2. RECOMMENDATIONS

To agree to vary the term of the existing shared service Partnership Agreement for the provision of T & I to allow it to continue for a further five years.

3. BACKGROUND

3.1 The Shared Services Partnership was set up in 2011 to address public sector concerns regarding the delivery and use of T & I services:

- Use of unqualified linguists with a high degree of variation in terms of skills and performance
- Use of linguists that were not vetted for security or right to work
- Over-charging
- Fragmented provision that was disjointed with poor management information

3.2 The Shared Services Partnership has successfully addressed the above concerns and has gone on to develop innovations that have delivered year on year improvements while delivering greater value for money. Members of the partnership only pay for the services used and there is no up-front subscription.

3.3 Each team in Enfield Council is responsible for paying for their translation and interpreting costs from their own budgets. An invoice is received monthly from the Language Shop (TLS) breaking down the details of the individual assignments and charges, so each team can easily monitor their usage.

3.4 Enfield Council's monthly cost of T & I is approximately £15,000 plus VAT per calendar month (£180,000 per annum).

3.5 Enfield Council can give notice at any time of our intention to quit and must only serve a nine month notice period.

3.6 The Partnership Agreement was entered into on the basis that the arrangement would not engage European procurement rules.

3.7 Enfield Council has seen a 17% decrease in interpreting requests from 2015 to 2018. The Language Shop works in partnership with us to optimise efficiency and maximise value.

3.8 Local community growth and development is at the heart of The Language Shop's objectives and TLS contributes a significant amount to the local economy – over 460 interpreters are actively working in the North/East London area. In the financial year of 2017/18, TLS paid their interpreters a collective amount of over £1.4 million.

3.9 The shared services model is increasingly adopted in the public sector as a pragmatic and procurement compliant response to declining budgets and a commissioning-based approach. For example, at the end of 2017 there were almost 500 such arrangements in the UK public sector, creating savings of £643m in total (source: Local Government Association). It reduces costs through economies of scale and pooled resources.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Tendering

4.1.1 Tendering for language services puts the Shared Services Member at risk of low cost, low-quality language service providers. The risk posed to service users by these providers has been made clear by recent court cases and high-profile Serious Case Reviews.

4.1.2 Some suppliers do not adequately and efficiently pay interpreters (many of whom are likely to be local citizens) for the work undertaken. The Shared Services Partnership have made the ethical treatment of the supply chain (linguists delivering the service) a priority and there is a commitment to pay 75% of the language fee to interpreters – this principle is difficult to mandate and then enforce within a standard procurement process.

4.1.3 Supplier focuses on maximising profit. The Shared Services arrangement ensures that funding is available for service improvements and that any surpluses are re-invested back into delivery. The Shared Services Agreement operates a full cost-recovery model, this is unlikely to be the case with a commercially procured arrangement.

4.1.4 A cost comparison exercise was carried out in 2018 with other councils. The results showed that TLS's charges gives excellent value for money:

	TLS	Council 1	Council 2	Council 3
Face to face interpreting cost per hour	£26	£33	£30	£40

5. REASONS FOR RECOMMENDATIONS

5.1 As a member of the Partnership, Enfield Council can continue to ensure that it is offering equality in access and excellent customer care for all service users, thereby making sure that the council remains compliant with the Public Sector Equality Duty (The Equality Act 2010).

5.2 Members of the partnership only pay for the services used and there is no up-front subscription.

5.3 As opposed to outsourcing, it is based on collaborative working between similar organisations and a standardisation of practices. It also offers other tangible benefits. This partnership informs and shares best practice among organisations with aligned ethics and objectives, creates cashable savings, improves relationships with linguists and gives a greater focus on customer care and service delivery. Shared Service Members can influence all aspects of provision.

5.4 Enfield Council can give notice to terminate the Agreement.

5.5 It reduces costs through economies of scale and pooled resources. Therefore the rate is normally lower than if procured directly.

5.6 The partnership has set strategic objectives that benefit members, the community, linguists and incumbent providers. It is underpinned by the idea that each party's benefit is maximised through collaboration.

5.7 Members benefit from each other's knowledge and expertise. For example, The Language Shop has more than 30 years' experience in the sector and has produced guidance and support for members' staff on language trends, the benefits of channel switching and linguist development.

5.8 Free advice, training, support and consultancy particularly focused on compliance with legislation, external audit/inspections and optimising use of language services.

5.9 Feedback was obtained from Enfield Council's users of T & I services. All of the 34 responses received were happy with the current service as the quotes below show:

- *"Good availability, good professionalism, punctual."*
- *"Yes they are fab – never had an issue. Please continue with them"*
- *"very helpful and efficient."*
- *"This is an essential service for Children's Services and have always found their service easy to use, helpful and accessible."*

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

Under the proposed shared partnership agreement, savings of approximately 30% is being experienced in interpreting costs compared with the average across other authorities.

T&I costs are met by the Customer Operations budget (CC0003) and are fully recharged to services. The cost in 2017-18 was £197k and based on actuals to date this is expected to be a similar value in 2018-19. There is a T&I budget (a/c 50072) of £107k across the council with any balance expected to be managed locally across remaining service budgets.

6.2 Legal Implications

Legal Services stated that "If the parties are happy for the extension to go ahead and mutually agree then this is not a problem."

6.3 Property Implications

N/A

7. KEY RISKS

N/A

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

- 8.1 The supply of Translation and Interpreting services to our community is essential in ensuring:
- good homes in well-connected neighbourhoods
 - that we sustain strong and healthy communities
 - that we build our local economy to create a thriving place

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 It was not necessary to complete an equality impact assessment.

10. PERFORMANCE AND DATA IMPLICATIONS

N/A

11. PUBLIC HEALTH IMPLICATIONS

- 11.1 If a T & I service is not offered to customers when appropriate then we are not ensuring that all can access our essential services.