

CITY OF CARLISLE

To: The Executive
28 October 2002

Financial Memo
2002/03 No 67

PARTNERSHIP OPPORTUNITIES IN DELIVERING CUSTOMER CONTACT,
REVENUES AND BENEFIT SERVICES – PROGRESS REPORT

1. INTRODUCTION

- 1.1 The Executive, at its meeting of 29 July 2002, resolved to invite expressions of interest from potential partners interested in working in partnership with the City Council with the view of:
- i) Improving service delivery and performance;
 - ii) Delivering the Council's ambitious Corporate Plan, particularly the significant capital expenditure on infrastructure, IT etc in introducing an attractive 'one-stop' shop for all services;
 - iii) Operating and growing the partnership business from the Civic Centre;
 - iv) Enhancing future prospects of Council staff and local economy.
- 1.2 The report advises the Executive of progress made since 29 July 2002 and other issues.

2. STAFF CONSULTATION

- 2.1 Detailed presentations have been made to Revenues and Benefits staff on
- The drivers, e.g. Best Value/CPA, competition from the back office processing centre setting up in Carlisle, industry trends in the provisions of 'white collar processing type' services, local economy etc.
 - Implications for Revenues and Benefits including the advantages of partnership as opposed to outsourcing
 - Draft timetable and other issues
 - Staff's involvement in the process, e.g. staff representative co-opted onto the project team.

3. PROGRESS TO DATE

- 3.1 Expressions of Interest were invited via the European Journal (OJEC) on 16 August 2002. Interested parties were provided with a 'pack' covering a memorandum "footprint" of what the Council was attempting to get out of partnership working (and other technical and legal issues), a copy of the Corporate Plan, the Revenues/Benefits Service Plan, and requested to complete the Pre-Qualification Questionnaire.
- 3.2 Interest in going into partnership with the Council has been phenomenal with 24 companies paying £25.00 for the 'pack' with 12 very good quality expressions of interest (including all the main players in the partnership/outsourcing market) being submitted by the closing date on 04 October.
- 3.3 Project Team
A Project team has been set up to progress the partnership initiative bringing together expertise in Finance, Legal, Personnel, Customer Contact, Revenues and Benefits and Procurement issues, also a staff representative.
- 3.4 The Project team is currently vetting the 12 expressions of interest submitted to the evaluation criteria as detailed in Appendix 1 with the view of selecting a 'long list' of six for further assessment.
- 3.5 The Project Team is also producing an output-based specification covering the Council's requirements in the provision of a customer contact centre (based on the outcomes of the best value review). An output based specification for Revenue Services is already being worked to by the 'in house' unit.
- 3.6 Long listed candidates will be asked to come up with partnership proposals (uncosted at this stage) meeting the Council's specifications plus any added value (e.g. service provision over and above specification, local economy issues (additional jobs) etc).

3.7 Open Day

An open day has provisionally been timetabled for Monday 02 December 2002. Long listed potential partners will be invited to set up stands in the Civic Centre. Members (02 December has been earmarked as it is a JMT day), Managers and staff will be encouraged to visit the stands and ask questions of the potential partners on any aspect of partnership working. Staff, for example, will want to know about major issues such as career prospects in working in partnership arrangements with the different potential partners down to issues like flexitime arrangements, whilst Members might be more interested in local economy issues and Chief Officers and Managers in delivering the Corporate Plan. After the Open Day, Members, Chief Officers and staff's views will be canvassed on their initial views on the potential partners (probably via an evaluation pro-forma).

3.8 Presentation of Proposed Partnership Proposals

In February 2003 long listed candidates (the numbers might be reduced from six during officers' project team evaluation process) will be invited for scoping interview and to deliver a summary presentation on their partnership proposals to JMT.

3.9 Executive Report

In March 2003, after canvassing the views of JMT, the Project Team and staff, a report will be prepared for Executive's consideration on whether any of the partnership proposal(s) (maximum of three) put forward by prospective tenderers are robust enough to be progressed to formal tender. It should be noted that all documentation sent out to potential partners has stipulated that the Council reserves the option not to progress the partnership initiative to formal tender stage if it is not satisfied that the partnership proposals submitted will meet the Council's agenda.

4. **ISSUES REQUIRING THE EXECUTIVE'S CONSIDERATION**

4.1 Consultancy Advice

It had not originally been thought appropriate to seek consultancy advice until it was established whether robust partnership proposals were forthcoming (i.e. from April 2003).

4.2 However it is the view of the City Solicitor that some initial consultancy advice should be sought on:

- i) The steps the Council is currently taking in progressing the partnership initiative;

- ii) The best partnership model to follow in delivering the Council's agenda, i.e. Joint Venture or Others.
 - iii) Any other issues the Council should consider at this early stage, e.g. eligibility to PFI credits (i.e. additional revenue support grant to meet capital expenditure provided by the partnership).
- 4.3 Whilst the Project Team is in liaison with the Office of the Deputy Prime Minister to explore the possibilities of consultancy advice being provided via Government PPP funds, the cost of consultancy advice (in the region of £10,000+) might have to be met from Revenues base budgets (probably from ringfenced Housing Benefit grants earmarked for improving benefits administration).
- 4.4 Naming Potential Partnership Initiative
The Council will need to come up with a name for the potential partnership (hopefully at an early stage as the current 'Partnership with Private Sector' Initiative is a bit of a mouthful). For example, the Middlesborough partnership is called Middlesborough First. Subject to the Executive's agreement, the Council's Communication team will be asked to suggest some appropriate names for the Executive's consideration.
5. **STAFFING/RESOURCES COMMENTS**
Not applicable.
6. **CITY TREASURER'S COMMENTS**
Contained within the report.
7. **LEGAL COMMENTS**
Not applicable.
8. **CORPORATE COMMENTS**
Not applicable.
9. **RISK MANAGEMENT ASSESSMENT**
Not applicable.
10. **EQUALITY ISSUES**
Not applicable.

11. ENVIRONMENTAL IMPLICATIONS

Not applicable.

12. CRIME AND DISORDER IMPLICATIONS

Not applicable.

13. RECOMMENDATIONS

2.1 The Executive is asked to note the progress to date in progressing the partnership initiative in potentially delivering improved Customer Contact, Revenues and Benefits services.

2.2 The Executive is recommended to agree:

- v) the actions taken to date in progressing the initiative;
- vi) and support arrangements for the Open Day on 02 December 2002;
- vii) that overview consultancy advice be obtained on the steps the Council is taking in evaluating partnership opportunities;
- viii) that a name be sought (with meaning for what the Council is attempting to achieve) for the potential partnership initiative.

14. REASONS FOR RECOMMENDATIONS

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City Treasurer

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City Treasury
Carlisle
16 October 2002
PM/CH/f670203

PQQ Section A - Identity of Applicant

	Possible Score	x Weight	Total
If similar information provided to another organisation - agreement to be disclosed to Carlisle City Council?			
Q 6_1 Sole Contractor/Consortium			
7 Full names of every Director, Partner, Associate, Co Secretary provided?	0 = No 1 = Yes	1	
8 Has any Director, Partner, Associate or Company Secretary been involved in any Company which has gone into liquidation or receivership or been the subject of administration.	0 = No reply or Yes but no details provided 1 = Yes, details provided 2 = No	2	
9 Has any Director, Partner, Associate or Company Secretary ever been declared bankrupt?	0 = No reply or Yes but no details provided 1 = Yes, details provided 2 = No	2	
10 Has any Director, Partner, Associate, Company Secretary or Senior Manager in your organisation been employed by a contractor which had a local council contract that was terminated or cancelled prior to the due contract date?	0 = No reply or Yes but no details provided 1 = Yes, details provided 2 = No	3	
11 Any director, partner, associate or company secretary ever been employed by this Council?	0 = No reply or Yes but no details provided 1 = Yes, details provided 2 = No	2	
12 Does any Director, Partner or Associate have a relative who is employed by this council at a senior level or is a councillor?	0 = No reply or Yes but no details provided 1 = Yes, details provided 2 = No	2	
13 Any Officers involved in other companies providing services to this Council?	0 = No reply or Yes but no details provided 1 = Yes, details provided 2 = No	2	
14 Co Registration No & date provided?	1 = Provided	1	
15 Is the company a member of a Group? If Yes, provide Group Details.	0 = No reply 6 = No 1 = Yes and details provided	1	
If Yes to 15 16 Description of relationship within group provided?	1 = details provided	1	
17 Details of ultimate holding company and all other subsidiaries provided?	1 = details provided	1	
18 Would group or ultimate holding company guarantee contract performance?	0 = No 1 = Yes	1	
19 Which company within group would be contracting party	1 = details provided	1	
19 What guarantees as to contract performance are available from other members of the Group?	1 = details provided	1	

Section C – Financial Standing

C2 3 yrs audited a/c and annual reports provided?		
C2 Balance Sheet, Profit & Loss or Income & expend a/c, Cash flow statements, full notes to the accounts & managing partner's, director's or auditor's reports		
C3 Signed statement with significant changes		
C4 If yes to C3, Statement of Turnover enclosed?		
C5 Bankers details provided	1 = Yes	1
C5 Letter to Bankers provided authorising references?	1 = Yes	1
C6 Details of turnover and years		
C7.1 Any Outstanding litigation? Provide details	0 = No reply 1 = Yes, no details 2 = Yes, adequate information 3 = No	3
C8 VAT registration	1 = provided	
9.1 Employer's liability insurance details provided?	0 =No 1 = Yes	3
9.2 Public liability insurance details provided?	0 =No 1 = Yes	3
9.3 Professional Indemnity Insurance details provided?	0 =No 1 = Yes	3
9.4 Professional Indemnity claims in last 3 yrs over £50,000	0 = No reply 1 = Yes, no details 2 = Yes, adequate information 3 = No	3
10.1 Admitted Body Status under Local Government Pension Scheme regulations?	0 =No/no reply 2 = Yes	5
10.2 Admitted body status details provided?	0 =No 1 = Yes, poor 2 =Yes, adequate	5
10.3 Willing to apply?	0 =No 1 = Yes	5
10.4 Details of 10_3 ?	0 =No 1 = Yes, poor 2 = Yes adequate	2
10.5 Able to offer a pension scheme that is broadly comparable with the LGPS?	0 =No 1 = Yes	5
10.6 Details of 10.5 provided?	0 =No 1 = Yes, appears poor description 2 = Yes appears adequate	2

Technical Capacity and Ability		Weight
D1 Please indicate below the service areas in which you are interested	0 = Less than 1 Lot 1= Lot 1 or Lot 2 2 = Both lots	1
D2 Has your company ever suffered a deduction for liquidation and ascertained damages in respect of any contract in last three years?	2 = No 1 = Yes, adequate explanation provided 0 = No reply or no explanation provided	3
D3 Has your company ever had a contract terminated or your employment terminated under the terms of a contract?	2 = No 1 = Yes, adequate explanation provided 0 = No reply or no explanation provided	3
D4 Has your company ever not had a contract renewed for failure to perform to the terms of a contract?	2 = No 1 = Yes, adequate explanation provided 0 = No reply or no explanation provided	3
D5 Have any of your company's contracts ended early by mutual agreement following allegations of default on your part?	0 = No reply or Yes and poor/no explanation 1 = Yes, adequate explanation provided 2 = No	3
D6.1 Has your company hosted a large scale outsourcing partnership arrangement in the last 3 years?	0 = No 1 = Yes	5
D6.2 Have you had any experience of outsourcing partnership of any nature?	0 No 1 if Yes	4
D6.3 If Yes did this involve a local Council or other public sector	0 No 1 if Yes +1 if LA	5
(Are any Revenues & Benefits or Customer Contact Centres)	0=No + 1 Revenues & benefits +1 Customer Contact centre	5
7.1 Details provided of principal clients for whom project services have been supplied during last 3 - 5 years	Score = NOTE Refine re. no./type of clients	3
7.2 Three client reference sites provided	Score = Number of which are LA +1 for each Revenues Benefits + 1 for each Customer Contact	3
8 Does company intend to use sub-contractors for any of the services offered for	Yes =1 No=3	2
9 If yes to 8 are details provided of which parts, their value and process of selecting sub-contractors?	0 = no reply 1 = brief summary 2 = details	NOTE Refine re. proportion of work
10 Details of how company will ensure that a quality service is provided with details of any external quality systems.	0 = No details 1 = Poor 2= Satisfactory 3 = Good	3
11 Details of how company deals with complaints?	0 = No details 1 = Poor 2= Satisfactory 3 = Good	3
12 Details of staff training expenditure expressed as a % of budget?	0 No details or none 1 Less than 2% 2 >2%	3
13 Company's mission statement supplied?	0 = No 1 = yes	1
14 Company's Business Plan for next 5 years and how this project fits in with the Business Plans?	0 = no 1-5 for quality/relevance	4

15 Details of experience of partnering arrangements with Local Council or other public sector organisations including details of the key outcomes which are delivered under these partnerships and how conflicts are managed	0 None 1-5 for quality/relevance	5
16 Details of Business Process re-engineering of core business processes under a contract where continuous improvement was a prerequisite of the contract. Details of approaches adopted and outcomes adhered to	0 none 1-5 for quality/relevance	3
17 Details of Customer Care Policy	0 = None 1 = Poor 2 = Adequate 3 = Good	3
18 Details of Environmental Policy	0 = None 1 = Poor 2 = Adequate 3 = Good	2
19 Details of any accreditation e.g. IIP	0 = None 1 = Poor 2 = Adequate 3 = Good	2
20.1 Contracts under negotiation where company has been selected as preferred bidder	Score only where answer=LA 1if Rev & Ben or Cust Cont	1
20.2 Contracts awarded but not yet started	Score only where answer=LA 1 if Rev & Ben or Cust Cont	1
20_3 Contracts commenced within last 12 months	Score only where answer=LA 1if Rev & Ben or Cust Cont	2
21 Details of how company would propose to arrange investment and funding for a deal of this	0 = No details 1 = Poor financial provision proposed 2 = Adequate financial provision proposed 3 = Good financial proposal	5

Section E – Equal opportunities

Organisation	Score	Weight
* E1 Do you comply with the Sex Discrimination Act 1975 and Equal pay Act 1975?	Yes = 2	5
* E2 Do you undertake to comply with the Disability Discrimination Act 1995?	Yes = 2	5
* E3 Is it your policy as an employer to comply with your statutory obligations under the Race Relations Act 1976, and accordingly, your practice not to treat any one group of people less favourably than others because of colour, race, nationality or ethnic origin in relation to decisions to recruit, train or promote employees?	Yes = 2	5
E4 In the last three years, has any finding of unlawful racial discrimination been made against your Company by any court of law or industrial tribunal?	No = 2	4
E5 In the last three years, has your Company been the subject of formal investigations by the Commission for Racial Equality on grounds of alleged unlawful discrimination?	No = 2	4
E6 If YES to Q. 4 or, in relation to Q.5 the Commission made an adverse finding, what steps did you take as a consequence of that finding?	No response/ unresolved = 0 Poor = 1 Satisfactory = 2	4
E7 Is your policy on race relations set out in instructions to those concerned with recruitment, training and promotion?	Yes = 2	5
E8 Is your policy on race relations set out in documents available to employees, recognised trade unions or other representative groups of employees?	Yes = 2	5
E9 Is your policy on race relations set out in recruitment advertisements or other literature?	Yes = 2	4
E10 Please supply relevant examples of the instructions, documents, recruitment advertisements and other literature	0 = None provided 1=Poor 2 = Good	4
* E11 Do you observe, as far as possible, the commission for Racial Equality's Code of Practice for Employment, as approved by Parliament in 1983, which gives practical guidance to employers and others on the elimination of racial discrimination and the promotion of equality of opportunity in employment, including the steps that can be taken to encourage members of the ethnic minorities to apply for jobs or take up training opportunities?	1 = Yes	5
E12 If you are not currently subject to UK legislation, please supply details of your experience in working under equivalent material legislation which, in your country, is designed to eliminate discrimination, (especially racial discrimination) and to promote equality of opportunity	1 = details provided	4

Section F Health and Safety

* 1	Name of the person responsible for implementing and maintaining your Company's health and safety policy and enclose a brief CV for this person.	Name = 1 + CV provided =1 + CV shows adequate training/ experience= 1	5
*2	If your Company has more than five members of staff, please enclose a copy of the Company's health and safety policy and/or other declaration, information or instruction issued by your Company, as necessary, to protect the health and safety of your staff.	0 = None 1 = Poor policy 2 = Adequate Policy 3 = Good	5
3	In the last three years, has your Company been prosecuted for contravention of the Health and Safety at Work etc. Act 1974 or equivalent nation legislation, or been the subject of a formal investigation by the Health and safety Executive or similar body charged with improving health and safety standards?	0 = Yes 2 = No	4
4	If YES to Q.3, please enclose full details.	0 = No explanation 1 = unresolved 2 = Satisfactory explanation	4
5	Please provide details of how your health and safety policies are communicated to your employees and administered within your Company.	0 = No response 1 = Poor procedures 2 = Adequate 3 = Good	5

* Essential criteria – failure to comply will result in organisation being rejected.

** Named person essential - failure to comply will result in organisation being rejected.