

Annex A

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 6 December 2021
Report Number	Agenda Item no XX
Subject	EXTENSION TO SUPPORT SERVICES CONTRACT WITH PUBLICA GROUP (SUPPORT) LTD
Wards affected	All
Accountable member	Cllr Joe Harris, Leader Email: joe.harris@cotswold.gov.uk
Accountable officer	Robert Weaver, Chief Executive Officer Email: robert.weaver@cotswold.gov.uk
Summary/Purpose	<p>Cotswold District Council entered into a five year Agreement for Services with Publica Group (Support) Ltd on 1 November 2017 for the delivery of support services, namely ICT, HR & Payroll, Learning & Development, Property Services, Finance, Procurement, Land Charges and Flood Engineering.</p> <p>The Agreement expires on 31 October 2022 and the council is required to give at least 12 months' written notice if it wishes to extend the term of the Agreement. While this notice should have been provided by the Council at the end of October 2021, the Publica Group (Support) Ltd Executive Directors have confirmed that a shorter notice period is acceptable to enable the Council to provide the required notice of a decision to be taken at the Cabinet meeting in December 2021.</p> <p>The Council wishes to extend the term for delivery of services by Publica Group (Support) Ltd for a further four years; however, the list of services the Council wishes Publica to deliver is subject to review. The pandemic has had a fundamental and lasting impact on the Council, which is actively engaged in a number of work streams to ensure the Council and the services it delivers are resilient and financially sustainable going forward.</p> <p>The outcomes of this work may influence and impact on the services the Council receives from Publica in the future. The proposed approach, therefore, is to serve an extension notice for four years which notifies Publica Group (Support) Ltd that the Council may seek to change or amend services within the current service agreement as part of the annual service</p>

	review process
Annexes	None
Recommendation(s)	That Cabinet: (i) approves the extension of the existing Agreement for Services with Publica Group (Support) Ltd for a period of four years until 31 October 2026, and (ii) delegates authority to the Chief Executive in consultation with the Leader of the Council to formally write to Publica Group (Support) Ltd to notify Publica Group (Support) Ltd of the contract extension as outlined within this report
Corporate priorities	The services provided by Publica Group (Support) Ltd support teams across the Council to deliver the Corporate Plan priorities.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Over-view & Scrutiny Committee at their meeting on 30 November 2021. Chief Executive, Deputy Chief Executive, interim Monitoring Officer, Interim Head of Legal Services,

1.0 BACKGROUND

- 1.1 Cotswold District Council entered into a five year Agreement for Services with Publica Group (Support) Ltd on 1 November 2017 for the delivery of support services, namely ICT, HR & Payroll, Learning & Development, Property Services, Finance, Procurement, Land Charges and Flood Engineering. The Agreement expires on 31 October 2022 and, in accordance with clause 29 of the Agreement, the Council is required to give at least 12 months' written notice if it wishes to extend the term of the contract. While this notice should have been provided by the Council at the end of October 2021, the Publica Group (Support) Ltd Executive Directors have confirmed that a shorter notice period is acceptable to enable the Council to provide the required notice of a decision to be taken at the Cabinet meeting in December 2021., The Council is able to extend the contract for two successive periods of four years.
- 1.2 During the 12 months to November 2022 the Council will review the annual fee (payable by the Council for the services) and company annual fee (payable to the Council by Publica Group (Support) Ltd for use of Council assets, premises licence etc.) with Publica. The revised fee will take effect from the first working day of the extension period

2. MAIN POINTS

2.0 Service delivery from November 2022

2.1 The Council wishes to extend the term for the delivery of services by Publica Group (Support) Ltd for a further four years to 31 October 2026, however the services the Council wishes to receive from Publica is subject to review.

2.2 Proposed approach to extending term of contract

2.3 The pandemic has had a fundamental and lasting impact on this Council and has had far reaching implications for how residents, businesses and customers interact with and access services from the Council and its partner organisations. This is changing the way in which services are provided and may change the Council's needs going forward.

2.4 Publica Group (Support) Ltd is a teckal company and one of the benefits of the teckal model is that it enables the company owners (Cotswold, Forest of Dean and West Oxfordshire District Councils) to procure services from the company in a flexible way.

2.5 The Agreement with the company enables the Council to make changes to the services (whether by way of the removal of services, the addition of new services, increasing or decreasing the services, specifying the order in which the services are to be performed or the locations where the services are to be provided) through the annual review process or in the event of an urgent matter on giving reasonable written notice for any reasons whatsoever.

2.6 This year the Council is required to give notice of its intention to renew the Agreement at the same time as the usual annual review process takes place. The council's approach, therefore, is to serve an extension notice for four years which notifies Publica Group (Support) Ltd that the Council may seek to change or amend services from the current service agreement as part of the annual service review process in partnership with the company.

2.7 In the event a decision is taken to change service provision, for example the Council may choose to remove or expand services provided by Publica, the Council will work with Publica Group (Support) Ltd and engage with employees and unions on any relevant employment matters such as the Transfer of Undertakings Protection of Employment regulations (TUPE), contractual arrangements and changes to the annual fee arising from that decision, in accordance with the Agreement. Approval from Cabinet or Council will be sought as appropriate.

2.8 Alternative options considered

2.9 The Council receives excellent service delivery from Publica Group (Support) Ltd in some areas, notably ICT, and therefore the option of terminating the contract with Publica Group (Support) Ltd was not considered a viable option. However, as outlined above, some service areas are currently under review. It is also worth noting that the option to remove services

through the procedure outlined in 2.5 overleaf will remain open to the Council throughout the extension period.

2.10 How this initiative contributes to the corporate plan

2.11 The support services which are part of this particular contract with Publica Group (Support) Ltd namely ICT, HR & Payroll, Learning & Development, Property Services, Finance, Procurement, Land Charges and Flood Engineering, support other teams within Publica Group (Support) Ltd which work across the range of Council services to deliver the Corporate Plan priorities.

2.12 Performance management – monitoring and review

2.13 The services provided by Publica Group (Support) Ltd are subject to regular monitoring and review and this is reported to the Council's Overview and Scrutiny Committee and the Cabinet.

3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications from extending the term of the contract. The contract fee is agreed on an annual basis and takes into account any changes to services. An in-year change to services would need to be agreed and budgeted for at the appropriate budget setting period.

4. LEGAL IMPLICATIONS

4.1 The Council is bound by the terms of the Agreement for Services and is required to give 12 months' written notice if it wishes to extend the term of the contract. However, the Executive Directors of Publica Group (Support) Ltd have agreed that a shorter notice period may be provided as the Council has expressed its intention, subject to the formal decision to be taken at this Cabinet meeting, to extend the current contract. The Agreement includes provisions for making changes to the services.

4.2 The Council could chose to exercise its option not to extend the Support Services Agreement, but would be liable for any costs associated with leaving.

5. RISK ASSESSMENT

5.1 If the Council does not provide notice that it wishes to extend the term of the contract beyond 1 November 2022 in a timely manner then it will not be fulfilling the terms of the contract in order to continue to receive services from Publica Group (Support) Ltd and this would put the future delivery of services at risk.

5.2 If the Council opts not to extend the term of the contract, alternative service provision arrangements will be required. If an alternative option is chosen, there could be risks in terms

of disruption to services, additional costs and the impact on staff resources required to implement an alternative approach.

6. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 6.1** No direct implications arise from extending the contract term. Publica has set out plans for considering the environmental impact of business activities, aiming for a more sustainable future and reducing the carbon footprint in the business through a detailed carbon reduction plan. A commitment has been made to consider climate change in all Publica activities.

7. ALTERNATIVE OPTIONS

- 7.1** The Council receives excellent service delivery from Publica Group (Support) Ltd in some areas, notably ICT, and therefore the option of terminating the contract with Publica Group (Support) Ltd was not considered a viable option. However, as outlined above, some service areas are currently under review. It is also worth noting that the option to remove services through the procedure outlined in above will remain open to the Council throughout the extension period.

8 BACKGROUND PAPERS

- Service Specification for Support Services provided to Cotswold DC, Forest of Dean DC and West Oxfordshire DC, dated 25.10.2017
- Publica Business Plan 2020/22
- Publica Annual Report 2020/21