

Report to	<b>Resources and Performance Committee</b>
Date	<b>5 September 2012</b>
By	<b>Director of Corporate Services</b>
Title of Report	<b>Procurement of Support Services</b>
Purpose of Report	<b>To provide an update on the procurement of support services for the South Downs National Park Authority (SDNPA)</b>

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**Recommendation: The Committee is recommended to:**

- 1. note the contents of the report**
  - 2. consider if the SDNPA should review its criteria for assessing support services contracts**
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**1. Introduction**

- 1.1 The South Downs National Park Authority (the Authority) has previously determined that it wanted to buy in support services where this was possible and cost effective. In June 2011 this committee:
  - 1.1.1 *authorised the commencement of the procurement of support services as set out in the individual recommendations in that meeting*
  - 1.1.2 *agreed the broad criteria for assessing contracts*
  - 1.1.3 *delegated the award of the appropriate contracts to the Chief Executive Officer in consultation with the Monitoring Officer, Chief Finance Officer, and Chairs and Deputies of the Authority and Resources & Performance Committee as appropriate.*
- 1.2 Short term contracts were put in place when the Authority was established and there was a need to implement longer term arrangements at the end of these short-term contracts. These long term contracts have the benefits of being informed now by a better understanding of the needs of the SDNPA and, in particular, the services required.
- 1.3 **Appendix I** to the report presents the range of support services and specialist advice that is now in place.

**2. Background**

- 2.1 The Authority received a report on 6 July 2010 on the approach to Corporate Services. A set of key principles were agreed to underpin the approach:
  - Reinforce the Authority's guiding principles on its role and culture which were agreed at its meeting on 11 May 2010;
  - Actively support the delivery of the Authority's strategy and functions as decided on 5 June 2010;
  - Provide an integrated solution to corporate services so that different elements of the support work effectively together – whether they are outsourced or provided in-house;
  - Retain organisational flexibility at a time when the SDNPA is undergoing rapid evolution and is operating within an uncertain environment; and
  - Deliver excellent value for money.

2.2 The report considered options for the following services:

- Finance
- Law
- Information and communications technology

The Authority agreed to the procurement of each of these services from external providers.

### 3 Current contracts

3.1 The following contracts are now in place:

Service	Supplier	Contract length
Financial Services	Brighton and Hove City Council	3 – 5 years
Legal services	West Sussex County Council	3 – 5 years
ICT	Advanced 365	3 – 5 years
Monitoring Officer	Hampshire County Council	3 years

3.2 There are benefits in terms of using suppliers who are familiar with national park / local authority legislation and ways of working. This approach is also consistent with the importance the Authority attaches to building relationships with key stakeholders across the Park and deriving its support locally.

3.3 Procurement was not identified as a service that should be procured from an external supplier from 1 April 2010 but procurement support including the use of an integrated purchasing system is now included in the Financial Services contract.

### 4. Monitoring contracts

4.1 These external contracts will be regularly monitored during the year. The monitoring discussions have been timetabled already and will be attended by the contract manager on both sides and the Director of Corporate Services.

4.2 Contract monitoring tools are also in place to ensure regular feedback from service users is captured and fed into the monitoring meetings. These tools include the use of issues logs.

### 5. Contract award criteria

5.1 The previously agreed criteria for the award of these contracts was:

Cost	50%
Quality	30%
Contract Management	10%
Sustainability	5%
Delivery of the NPA purposes and duty	5%
Health and Safety	Pass / Fail
Equality and diversity	Pass / Fail

5.2 The Committee may wish to consider whether any changes should be made to these criteria. In particular it may wish to consider whether the split between cost and quality is right and whether the level of scoring for sustainability and the delivery of purposes are at the right level and can provide meaningful differences in scoring against a high cost percentage.

### 6. Resources

6.1 The details and costs of outsourced services are set out in **Appendix I** in this report. The costs of these support service contracts are included within the 2012/13 budget.

6.2 In addition there is a number of staff within the Corporate Services Directorate who provide strategic advice, act for the SDNPA in monitoring the contracts / agreements and provide specific support. There are also some in-house budgets such as the costs of

recruitment advertising.

**7. Risk management**

- 7.1 By ensuring formal, regular contract monitoring arrangements are in place, risks of outsourcing support services will be minimised.

**8. Human Rights, Equalities, Health and Safety**

- 8.1 There are no implications arising from this report.

**9. External Consultees**

- 9.1 None

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Appendices	Appendix I – Procured Support Services
SDNPA Consultees	Chief Executive Officer, Director of Planning, Director of Strategy and Partnerships, Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.
Background Documents	South Downs National Park Authority, 6 July 2010, Approach to Corporate Services (Report SDNPA 20/10) South Downs National Park Authority Resources and Performance Committee, 9 June 2011, Procurement of Support Services (Report RPC 8/11)

## Procured Support Services

<b>Service:</b> Monitoring Officer
<b>Provider:</b> Hampshire County Council
<b>Scope:</b> Under the Local Government & Housing Act 1989 Section 5, the Monitoring Officer is responsible for reporting to the Authority on any proposal which is unlawful; advising on the code of conduct, and supporting the Standards Committee.
<b>Contract:</b> In June 2011 the Resources and Performance Committee agreed to continue the existing arrangement for provision of Monitoring Officer Services for a further three years, until March 2015.

<b>Service:</b> Financial Services
<b>Provider:</b> Brighton & Hove City Council
<b>Scope:</b> This service covers 5 key areas: <ul style="list-style-type: none"> <li>• The Chief Financial Officer (Local Government Act 1972 Section 151) Responsible for the proper administration of the Authority's financial affairs, including supporting and advising members and officers in their operational roles, leading and managing an effective and responsible financial services, and contributing to corporate management and leadership. The position is also referred to as the Section 151 Officer.</li> <li>• Provision of Deputy Chief Finance Officer</li> <li>• Payroll Payroll including the integration of costing information in the accounts, the deduction and onward transmission of tax, NI, pension contributions, and the like, fulfilling employer responsibility in respect of pensions, and providing staff and Members with appropriate records.</li> <li>• Financial services including procurement Financial and management accounting, including Medium Term Financial Planning, preparation of the annual budget, budget monitoring, year end closure of accounts and production of the statutory Statement of Accounts, completion of grant claims and government returns; Financial advice, including the impact of new legislation and regulation, appropriate input and advice on policy and service proposals; Input as necessary to tender specifications and evaluation; Administration of a purchasing system Payments to suppliers; Raising of debtor invoices and recovery of sums due; Tendering for and managing banking and imprest facilities; Day-to-day cash-flow and investment management and preparation of the Treasury Management Policy, including recommendations regarding Annual Borrowing Limits; Tendering for and managing insurance cover for the Authority, based on a continuous assessment of risk; Advising on tax matters (e.g. VAT, PAYE) and minimising the Authority's liability; Advice on procurement policies and specific tenders. Advice on risk management</li> <li>• Internal Audit Internal audit</li> </ul>
<b>Contract:</b> The contract was awarded to Brighton and Hove City Council on SDNPA standard terms and conditions to provide Corporate Financial Services for the South Downs National Park Authority for a three year period. The contract to commence 01 April 2012 and to end on 31 March 2015, with an option to extend for up to a further 2 years on an annual basis.

<b>Service:</b> ICT
<b>Provider:</b> Advanced365
<b>Scope:</b> The ICT contract covers: <ul style="list-style-type: none"> <li>• General office hardware e.g. Wyse terminals, Laptops and MFD Printers</li> <li>• General office software and project related tools e.g. MS Office, Adobe</li> <li>• Appropriate support both remote and on site to SDNPA staff and members</li> <li>• Connectivity together of all offices to a data centre and access to the Internet.</li> </ul> The contract does not cover: <ul style="list-style-type: none"> <li>• Telephony arrangements for which a separate contract exists</li> <li>• The planning application system which is a separate contract</li> <li>• An electronic document and records management system (to assist with Freedom of Information and Data Protection Act compliance). Although A365 are in a position to offer this service for an extra charge.</li> <li>• A geographical information system (for mapping and related purposes) for which a separate contract exists.</li> </ul>
<b>Contract:</b> Three year term from 7 <sup>th</sup> July 2012 to 7 <sup>th</sup> July 2015 with an option of a further two years.

<b>Service:</b> Legal Services
<b>Provider:</b> West Sussex County Council
<b>Scope:</b> The Authority requires legal services to discharge its business effectively including (but not limited to): <ul style="list-style-type: none"> <li>• The SDNPA's constitutional position and duties under the Environment Act 1995 and other legislation that applies to National Park Authorities specifically and public bodies generally;</li> <li>• Procurement and contracts</li> <li>• Employment</li> <li>• Property and conveyancing;</li> <li>• Litigation;</li> <li>• Planning;</li> <li>• Rights of Way; and</li> <li>• Access.</li> </ul>
<b>Contract:</b> The contract was awarded to West Sussex County Council to provide Corporate Legal Services (excluding Monitoring Officer) for SDNPA. The contract will commence on 25 June 2012 and to end on 25 June 2015 with an option to extend for up to a further 2 years on an annual basis.

### Contract Values

Service	Supplier	Contract cost p.a.
Financial Services	Brighton and Hove City Council	£293,000 <sup>1</sup>
Legal services	West Sussex County Council	£46,500 <sup>2</sup>
ICT	Advanced 365	£399,445
Monitoring Officer	Hampshire County Council	£66,000 <sup>3</sup>

<sup>1</sup> This includes set up costs of £35,750 spread across three years.

<sup>2</sup> The actual fees may be higher or lower as the contract is based on a nominal number of hours of service. We will pay for the actual work done.

<sup>3</sup> A figure not exceeding this amount based on a nominal number of hours per annum.