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Report of: *Executive Director of Place*

Report to: *Cabinet*

Date of Decision: *29th May 2019*

Subject: *Cleaning Services for Sheffield City Council's buildings and other premises*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Finance and Resources		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Scrutiny Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? 534		
Does the report contain confidential or exempt information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"Appendix A is not for publication because it contains exempt information under Paragraphs 3, 4 and 5 of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

In 2016, Sheffield City Council engaged Cordant to provide cleaning services for the Council's buildings and premises ("**Contract**") following a Cabinet decision in September 2015 to re-tender the service.

The current Contract is due to expire at the end of June 2019.

Whilst the current Contract has delivered the expected savings and efficiencies in some areas, responsible officers have reviewed a number of future delivery options for cleaning services in order to give the Council much greater flexibility in

terms of accountability and control, and also to support the Councils' corporate priorities.

This report sets out options and recommendations to Cabinet on future delivery options.

Recommendations to Cabinet:

For short term

1. to note the Executive Director of Resources in consultation with Director of Commercial Services and Finance, the Director of Legal and Governance and cabinet member for Finance and Resources will use the delegation (given in a decision taken on 16 September 2015) to consider and approve an extension of the current cleaning Contract with Cordant for 12 months from 1 July 2019 until 30 June 2020 (inclusive).

For long term

2. to note the contents of this report including the principles and assumptions for the purpose of making recommendations and risks and mitigations set out in this report and Appendix 1;
3. to give approval for the insourcing of the cleaning service to the Council' within Transport & Facilities Management in the Place portfolio after the extension of the Contract expires;
4. to grant delegated authority to the Executive Director of Place in consultation with Director of Human Resources, Director of Finance and Commercial Services and Director of Legal and Governance:
 - a. to undertake formal consultation with Trade Unions regarding the transfer of staff engaged by Cordant who under the TUPE Regulations 2006 (Amended) would transfer into the Council and any other transfer and transition arrangements (where applicable);
 - b. to make arrangements to monitor the performance and delivery of the new service arrangements; and
 - c. to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report.

Background Papers:*(Insert details of any background papers used in the compilation of the report.)*

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Chloe Parker</i>
	Legal: <i>Rachel Ma / Marcia McFarlane</i>
	Equalities: <i>Annemarie Johnston</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>Laraine Manley</i>
3	Cabinet Member consulted: <i>Cllr Olivia Blake</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Andrew Kemp</i>
	Job Title: <i>Contracts Manager</i>
	Date: <i>(Insert date)</i>

1. PROPOSAL

1.1 Background

Until 2016 cleaning was part of the Kier Asset Partnership Services (KAPS) contract. Following a review of the options and consultation with Cabinet in 2015 the decision was made to end the contract with Kier and procure an external contractor to deliver the cleaning service.

After the KAPS contract ended in 2016, the Council engaged Cordant to provide the cleaning service for its buildings and premises; this Contract is due to expire at the end of June 2019.

The current Contract covers 150 sites across Sheffield and was let to Cordant Cleaning Ltd on 1st July 2016, its value is in the region of £2m per annum for an initial 3 year duration due to end on 30th June 2019. There is the option within the contract to extend this for a further 12 months. The extension can be used if the Council gives Cordant 3 month's written notice and they confirm agreement to the extension.

Whilst the Contract delivered the expected savings and a certain level of efficiencies (e.g. delivery of the 'Real Living Wage' which is the minimum wage as calculated by the Living Wage Foundation), there have been a number of concerns with the contractor's performance in contract management, and its use of inefficient financial and payroll systems that cause issues. In order to solve the problem and improve the service, the Council has worked very closely with the contractor. As a result of that, the Contractor has now put in place a new payroll system and deployed more resource to manage the system and quality check the standard of its work.

In order to achieve continued service improvement and support the Council's corporate plan, officers have reviewed a number of possible future service delivery options.

At Resources briefing in May 2018 it was requested that a paper is brought forward setting out the options for future delivery to facilitate development of a business case for inclusion in a future cabinet report.

As a result, an officer project group was established comprising members from Transport & Facilities Management, Commercial Services & HR to analyse the future delivery options for the service, the options considered are:

Short Term:

1. to extend the current Contract for 12 months based on the service improvements within the contract extension dialogue

Longer Term:

2. to insource the whole service to the Council
3. to re-tender the service
4. Hybrid model – insource core buildings & procure two smaller contracts
5. Teckal arrangement

6. Collective ownership models

An options appraisal was presented at Resources Brief in July 2018. Following further discussion with the Cabinet Member a task and finish group met with Members in November 18. Subsequent to this Members have indicated it is a key priority for them to insource the service if possible.

In evaluating these options, Officers have considered the following criteria:

- Best value for service delivery
- Whether the option is capable of maintaining a 'real Living Wage' to low paid workers
- How identified improvements to service delivery can be quantified
- Savings identified
- Future management arrangements
- Risks to the Council

More detailed evaluation of each service delivery option can be found in Appendix A (as attached).

The Cleaning Service

Functions that may have been perceived as low level or easy to deliver (e.g. cleaning) have proven to significantly impact organisations.

It is the responsibility of the Council to ensure that its buildings are all safe, clean and well maintained for both occupiers and service users. As such, the Council needs:

- an adaptable and flexible future cleaning service delivery option; and also
- an ability to bring innovation into a core support service.

In addition, to be an in-touch organisation to make the best use of public money to have the greatest impact for Sheffield, the Council's Corporate Plan also highlights the importance of tackling inequalities. One of the ways to overcome such obstacles is to invest in the most deprived communities and support individuals to help themselves achieve their full potential.

Option 1 (Short term option): Provided for information: The Executive Director of Resources in consultation with the Director of Commercial Services and Finance, the Director of Legal and Governance and cabinet member for Finance and Resources will consider extending the current Contract for 12 months based on the service improvements within the contract extension dialogue

- The current Contract is due to expire by the end of June 2019; it has an

option to extend based on a mutual agreement between the Council and Cordant. The Council will have to serve Cordant a written notice 3-months in advance notice of expiry in order to effect the extension, i.e. no later than the end of March 2019.

- The option to extend the Contract would allow the Council more time to consider other service options and prepare for the relevant delivery. It is also noted that according to Officers' review as set out in Appendix A, the extension would be considered the most cost-effective for the short term and ensure continuity of the service.
- Whilst there have been a number of concerns with the contractor's performance, the contractor has made continued improvement in the quality and performance of its services to the Council.

Option 2 – Insource the whole service

- This option was explored in 2015 during the review of the KAPS contract and the Cabinet decision at the time, based on Officer's recommendation, was to re-tender the service.
- However, taking into account the issues that have arisen under the current Contract and the Council's desire to work in line with its Corporate Plan, insourcing is considered to be a preferred and flexible service delivery option from both management and social value perspectives.
- By insourcing the cleaning service the following benefits may also be achieved:
 - The Council will have an increased ability to directly support some of the lowest paid staff. More often than not, these are part time female workers;
 - Employees will have the opportunity to work in the Council which values staff, has effective consultation, good terms and conditions, effective training and offers increased opportunity for development.
 - There would be flexibility for cleaning staff to respond positively to changing policies to help meet strategic goals such as addressing low pay inequalities in line with the Council's Corporate Plan.
 - The Council will have the ability to be more flexible in its service delivery i.e. by shifting resources quickly to tackle changing local needs and emergencies which can be more challenging when working with outsourced contracts.
 - The Council will have influence over procurement and supply chains which with outsourced services currently rests with Cordant. By doing this, decisions can be made which reflect the Council's ambitions for

local supply and the environment.

- Deliver significant social value benefits and helps boost the local economy through the employment of staff with a clear workforce development strategy, continued payment at a minimum of the 'Real Living Wage', providing added value to services such as supporting local communities; improving environmental performance and sustainability and offering opportunities for vulnerable groups.
- Transferring staff would come in on their current terms and conditions.
- Insourcing is possibly not the most cost-efficient option for delivering the cleaning service and there are some concerns and possible issues which need to be carefully considered and managed in considering this option.- (please see Appendix A for details).
- It is anticipated that the savings required from insourcing would be recovered through the rationalisation of operational buildings which will reduce the number of buildings which need to be cleaned. The Sheffield Land and Property Plan sets out a clear approach to asset management in Sheffield which will support the delivery of good services to people from buildings which are fit for purpose, fully used, well maintained and meet the needs of services both now and in the future. Work is currently ongoing to identify the Council's operational requirements and any properties which may be surplus to requirements. However, it should be noted that if insufficient properties are identified or operational requirements increase there is a risk that these savings will not be realised and this will result in a budget pressure. It should also be noted that rationalisation of properties will take time to achieve and therefore savings will not be immediate.
- In addition to the point above, it is possible that insourcing the service may provide an opportunity to review the way cleaning activity is delivered as currently it is delivered across three areas namely Housing Service, Repairs and Maintenance and Facilities Management.
- It should also be noted that 70% of the current Cordant workforce is female and insourcing the service would increase the Councils gender pay gap with lower paid women.
- In light of the above, Officers would still consider insourcing a preferred option because insourcing will allow accountability and control of the workforce and will eventually enable the Council to deliver efficiency savings in the long term. Cabinet may also want to consider the impact of delivering significant social value benefits.
- The relevant estimated costs and expenses are set out in Appendix A.

Other options being considered:

Option 3 –Re-tender the service

- If there was no extension of the current Contract with the existing Contractor, then this would possibly be the most cost effective way to proceed. However, there is the risk that the market may not be able to deliver services at a competitive price that meets the Council’s stringent pay and output and the cashable savings identified in Appendix A may be lost.
- It is likely that re-tendering the service using a single contract would mainly attract large contractors to bid for the service tender.
- There is also no guarantee that issues currently experienced by the Council in managing the existing Contractor may not arise with other contractors. The Council may still need to deploy resources to closely monitor its contractor and be resourced to step in if any problems arise.
- A recent benchmarking exercise undertaken by APSE (Association for Public Service Excellence) demonstrates that the price for the service could increase between 5 – 10% in a new contract after re-tendering. However, the benefits of re-tendering include:
 - implementation of more robust specification and performance management framework,
 - continued delivery of the ‘real Living Wage’
 - maximising efficiencies through economies of scale
- As part of the current Contract, there is a requirement that Cordant pays its staff at a minimum of the ‘Real Living Wage’ and also removes the use of zero hour contracts. If the Council lets the cleaning service contract either by contract extension or by re-tendering, the same requirement for the ‘real Living Wage’ and zero hours contracts will be included.
- In any event, Officers would consider that this is still a viable option from both financial and commercial / operational perspectives.

Option 4 – “hybrid” model : Insource cleaning service for the Council’s core buildings and to procure two smaller “regional” contracts

- Officers looked at whether cleaning service for the Council’s core buildings (e.g. Moorfoot, Town Hall and Manor Lane) could be insourced whilst the rest could be contracted out in two separate small contracts (at around £500K each).
- This option is slightly less expensive than full insourcing because of reduced pension costs. However, this is more expensive than contracting out the service, as economies of scale would be reduced & contractor’s overhead would increase. Separate project set up costs may also be required internally in order to manage and monitor the delivery of this innovative

“hybrid” model.

- There will be HR implications because some staff currently work across different sites so splitting the service into 3 contracts could result in fragmentation which may affect whether staff have a legal right to transfer under TUPE to the Council or other contractors. If Contract staff do not transfer under the TUPE Regulations this would have significant redundancy implications with some of those costs possibly passing to the Council.
- The size of the contracts would still not attract the smaller local companies to bid for these tenders. Splitting the contracts further would increase fragmentation and also have significant impact operationally with the increased number of contractual interfaces.

Option 5 – Teckal company

- Officers also considered an option where the Council could incorporate a separate entity (either by shares or by guarantee) and require that entity to carry out all cleaning service for the Council under the “Teckal” exemption.
- Teckal exemption allows a separate legal entity to carry out work for the Council without going through general procurement processes required under the Public Contracts Regulations 2015. To be eligible for this exemption the separate entity must meet the requirements of:
 - The control test – the Council must control the separate entity as they would over their own departments. Control also means that the bodies must have a decisive influence over the strategic objectives and significant decisions of that separate entity, and this must be explicitly set out so that the ability of the directors of the separate entity to take decisions without the Council’s consent is limited.
 - The function test – at least 80% of its activities / turnover are with the Council.
 - No direct private share or ownership participation in the company
- All of the issues associated with the Insourcing option would still apply with employees transferring to the company and it being responsible for TUPE compliance and other employment obligations. The Council would need to set up a separate board that oversees the company’s governance.
- The cost of delivering the service would be similar to the Insourcing option with some additional costs associated with setting up the Teckal Company and its governance.
- The only discernible benefit this option offers when compared with insourcing is the opportunity to trade services more widely with possible income for the Council (max 20% traded activity). However it’s unlikely that

the service would be competitive in the open market due to the payment of 'real Living Wage'.

- In any event, the risks associated with Teckal Company together with the relative benefits of this option, against going to full external procurement will need to be examined in depth in a further business case. In which case there would need to be a further business case for this option developed and a delegation made for its approval.

Option 6 – Collective ownership models

- Different types of collective working models have been explored by officers, including:
 - Mutually owned and run for the benefit of their members who are actively involved in running the business.
 - Co-op – many different forms of Co-op but essentially are run by persons united voluntarily to meet their economic, social & cultural aspirations. Must subscribe to the statement of identity agreed by the International Co-operative Alliance.
 - Social enterprise – Have a clear social or environmental mission, generate the majority of income through trade, re-invest the majority of their profits.
 - Joint Venture – Agreement between two or more companies to co-operate on a project that serves their mutual interests, sharing costs and profit.
- There are different benefits and issues in these collective ownership models as set out in Appendix A. It is noted that a number of other public sector organisations have done or are procuring a bespoke joint venture with the private sector. However, it is not clear to officers if there is any added benefit from these collective ownership models that could be brought to the Council at the moment. More in-depth review will be required and this option will be subject of a business case if Cabinet is in favour of this option.

The strategic business case for cleaning identifies different benefits for different delivery options, the key benefits of the recommended option being delivery of a more effective cleaning service, which should produce estimated savings detailed in Appendix A of the report.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The priority of the Council's corporate plan includes:
- being an In Touch Organisation by making the best use of public funds; and also
 - tackling inequalities by working towards Sheffield to be a Living Wage city.
- 2.2 The decision to extend the current Contract for 12 months will provide immediate continuity to the cleaning service provided to in the region of 150 sites across the city ensuring that we deliver healthy, clean & safe environments.

The decision to insource the service to the Council appears not to have an immediate impact on cost saving. However, in the long run, it helps deliver significant social value benefits and boost local economy through the employment of staff with a clear workforce development strategy and, payment at a minimum of the 'real Living Wage'. All these provide added value to services such as supporting local communities; improving environmental performance and sustainability and offering opportunities for vulnerable groups.

The proposals / options within this paper would all continue to deliver on key Council commitments to paying a minimum of the 'real Living Wage' and not employing staff on zero hour contracts which contributes to tackling inequality.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Consultation has taken place through the Resources briefing meeting with the Cabinet Member for Finance which resulted in the development of the options appraisal.
- 3.2 A task and finish group was held with Councillors on 26th November 2018 to present and consult on the options appraisal. Subsequent to the task and finish group Members have signalled their preference to insource the service at Resources brief.
- 3.3 Most of the above options (except contract extension and re-tendering) may involve staff transfer under the TUPE Regulations 2006 (Amended) and compliance with these Regulations including consultation with trade unions and transferring staff on such arrangements. If Cabinet approves any of the relevant service delivery options, consultation with the relevant staff and trade unions will be required with support from Legal, Human Resources and Finance and Commercial Services.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 The proposal will continue to support advancing equality of opportunity. It will ensure continuity of service in providing clean, safe environments for staff to work and for customers using community building or other venues. The staff employed will have continuity of service. All are paid a minimum of the real living wage and zero hours contracts have been eliminated. Targets are built into the contract with regards to employment and skills and these will continue to be monitored and fulfilled.

4.2 Financial and Commercial Implications

- 4.2.1 Compared to the existing budget provision, the cost of the recommended option to extend the contract for 1 year with Cordant and to insource in years two and three will be £1.9m. If the council were to extend with Cordant and re-procure with another provider, this would cost an additional £1.5m to the current budget over the

three years.

Option 2: In-Source	£000s			
	Year 1	Year 2	Year 3	Total
Extend Contract	2,194	-	-	2,194
Staffing and Running Costs	-	2,553	2,660	5,213
Project Costs	130	43	-	173
One Off Costs	-	120	-	120
Total	2,324	2,716	2,660	7,700
Budget	1,923	1,923	1,923	5,769
Increased Costs	401	793	737	1,931

Option 3: Re-Procure	£000s			
	Year 1	Year 2	Year 3	Total
Extend Contract	2,194	-	-	2,194
Re-Procure	-	2,510	2,610	5,120
Total	2,194	2,510	2,610	7,314
Budget	1,923	1,923	1,923	5,769
Increased Costs	271	587	687	1,545

With the current arrangements, approximately 20% of the work carried out is recharged to third parties including the Housing Revenue Account. Therefore the net effect on the General Fund could be £1.5m or £1.2m, depending on the option chosen, should third party work be fully recovered.

- 4.2.2 The figures contained within this report are based on best available information to date and are subject to verification as part of the TUPE process. It is possible therefore, that these may move up or down as more information is made available.
- 4.2.3 There may be other risks, such as employment claims from elsewhere within the Council or additional pension costs, beyond those assumed in the table above, which may emerge as the transfer process develops.
- 4.2.4 There is currently no provision within the Council's Medium Term Financial Strategy to fund the cost increase as set out in the above para. 4.2.1. Therefore, the Place portfolio will need to reprioritise expenditure, identify Portfolio-wide efficiencies or alternative ways of delivering cleaning services to generate the necessary saving in the base budget for future years.
- 4.2.5 It is anticipated that the savings will be made via an asset rationalisation programme, although there is no definitive plan in place for this. In these circumstances, it is not clear that the savings can be delivered at a speed which matches the increase in cost. At the very best, this will require the insourcing project to be funded by the Council's reserves. Moreover, option 2 in section 1 above notes the uncertainty around the likelihood of delivering the required level of savings from asset rationalisation.

4.3 Legal Implications

- 4.3.1 The Council is given a general power of competence under Part 1 of the Localism Act 2011 that allows it to do anything that an individual may do (subject to any specific statutory restriction; none of which apply in this case).

The Council also has an overarching duty to secure Best Value and by considering options in this report, the Council will be able to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” The Best Value duty applies to all services whether delivered through outsourcing or in-house.

Contract extension

The Contract allows for a one-year extension where contract extension is agreed and the Council serves written notice to extend in accordance with the terms of the Contract.

Insourcing

Insourcing will require transfer of personal data and personnel; the Council must comply with the General Data Protection Regulations 2018 and where applicable, TUPE Regulations 2006 (as amended). The Council must undertake all statutory checks required after receiving staff and ensuring full compliance with pension legislation. Updated gender-pay reporting will be required because of the likely increase in low aid women joining the council’s workforce.

In advance of insourcing, the Council must clearly define the scope of the insourced service, that service’s role within the organisation and where possible determine how it will fit with existing services.

If after insourcing staff other changes become necessary then in addition to compliance with TUPE, the council must also adhere to Employment Legislation and HR policies that govern consultation, organisational change and obligations under the Equality Act 2010.

Detailed consideration of Employment and HR implications that could result from proposals in this paper are analysed in Appendix A.

Re-tendering

During re-tendering processes, Council officers must ensure that all procurement exercises are compliant with the Public Contract Regulations 2015 (PCR 2015), the Council’s Contracts Standing Order and any other applicable procurement procedures.

Hybrid model

Legal issues relating to re-tendering will also affect this option. Legal issues relating to insourcing and TUPE may not apply to this model if after splitting services across providers and the Council, it is not possible to correctly identify the provider who will receive each employee.

Teckal company

The Council has legal powers to set up a company by itself or in conjunction with other public bodies (Section 95 Local Government Act 2003 and Section 4 Localism Act 2011).

Where a public body awards a contract to a company that the public body owns and controls the contract between that public body and its company may come under the 'Teckal' or 'in-house' exemption in the Public Contract Regulations 2015; in which case the full EU procurement regime will not apply to that contract.

Officers must be certain that the company is "Teckal" exempted by ensuring the following requirements are met:

- Members of the company must be public bodies that are contracting authorities and they must exercise the type of decisive control over the company as they do over their own departments. This is the "control" test.
- At least 80% of the company's turnover must be from its members as compared with non-members.; this is the 'function' test. The company's finance team must ensure income streams are closely monitored within the company to ensure this criterion is always satisfied.
- No non-publicly funded bodies or institutions can join the company though those bodies may purchase services from the company and provide up to a maximum of 20% of the company's turnover

The circumstances in which the Teckal exemption applies are limited and any proposed arrangements seeking to rely on this exemption will need to be examined carefully in order to avoid the risk of legal challenge.

Equality issues that apply to insourcing are likely to apply to the council under this model because of the extent of control the council would be exercising over the company

Collective Ownership Model / Joint venture

The Council has various powers under which it can set up a joint venture company, either with other public bodies or with the private sector (Section 95 Local Government Act 2003 and Section 4 Localism Act 2011).

Any contract awarded to a public/private joint venture company would have to be procured in accordance with Public Contract Regulations 2015 procurement.

If the council's joint venture company is to provide services in the market, the company is likely to be a local authority trading company and legal requirements for setting up such an entity will need to be followed. Those requirements include obtaining approval of the proposed business case prior to formation and those setting up the venture are likely to require considerable legal, financial, HR and business management support in preparing such plan.

TUPE is likely to apply where services are insourced and reference should be had to the HR implications section above.

4.4 Other Implications

- 4.4.1 All other implications including HR are outlined within the main body of the report and also in Appendix A.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Alternative options considered are set out as follows:

Option 3 – retendering

This option is considered to be viable and also a cost effective way to move forward in the short term. However, taking into account the benefits of insourcing for the long term and also for community, this option is not recommended.

Option 4 – Hybrid model

This option is not recommended at this stage as more internal resources may be required to monitor both insourcing and outsourcing service delivery models.

Option 5 – Teckal company

This option will need more time to review and establish due to its complexity so it is not recommended at this stage.

Option 6 – Collective Ownership Model

This option is not recommended as it is not clear to Officers whether it would bring any additional benefits to the Council other than those being covered in insourcing and Teckal company.

6. **REASONS FOR RECOMMENDATIONS**

6.1 **12 month extension**

- Despite the issues outlined in section 1, steps are being taken to address the current performance.
- Cordant has appointed a new operational manager for the service which is starting to have an impact as there is a much stronger focus on performance management.
- A specific performance indicator has been implemented which addresses the payroll performance and again this is starting to have an impact as levels have started to reduce.

- This option will provide continuity of service and a value for money solution for the next 12 months whilst plans can be put in place to deliver the longer term solution for the service.

6.2 **Insourcing**

This option is recommended as by insourcing the service the following benefits could be achieved;

- It will increase the ability to support some of the lowest paid staff. More often than not these are part time female workers.
- A working environment which values staff, has effective consultation, good terms and conditions, effective training and offers increased opportunity for development.
- The flexibility to respond positively to changing policies to help meet strategic goals such as addressing low pay inequalities.
- It also gives the council the ability to be more flexible in its service delivery i.e. by shifting resources quickly to tackle changing local needs and emergencies which can be more challenging with outsourced contracts.
- It will allow the authority an influence over procurement and supply chains which with outsourced services rests with the contractor. By doing this decisions can be made which reflect the Councils ambitions for local supply and the environment.
- Insourced services have the potential to deliver significant social value benefits and boost the local economy through the employment of staff with a clear workforce development strategy, payment at a minimum of the 'real Living Wage', providing added value to services such as supporting local communities; improving environmental performance and sustainability and offering opportunities for vulnerable groups.
- Bringing the service back in house will also give the Council greater control of being able to deliver efficiency savings.