

MEETING:	GENERAL OVERVIEW AND SCRUTINY COMMITTEE
DATE:	12 MAY 2014
TITLE OF REPORT:	HOOPLE UPDATE
REPORT BY:	ASSISTANT DIRECTOR PLACE BASED COMMISSIONING

1 Classification

Open

2 Key Decision

This is not an executive decision.

3 Wards Affected

County-wide

4 Purpose

The purpose of this report is to provide an update on Hoople from the Managing Director of the company. In addition, it outlines the approach being taken to jointly review the future approach to commissioning services currently delivered by Hoople beyond the current contract term.

5 Recommendation(s)

THAT:

- a) **The Committee comments on and notes the update provided by the Managing Director of Hoople; and**
- b) **The approach to the joint review of the future approach to commissioning services currently being delivered by Hoople is noted and that any comments regarding the proposed criteria are provided for consideration as part of the review.**

6 Alternative Options

6.1 None

7 Reasons for Recommendations

7.1 The project team is looking to the General Overview and Scrutiny Committee to provide advice on the criteria that should be used to assess the options for the future of Hoople and

the Council services that it delivers. The team would also welcome advice from the Committee on the options that should be considered as part of the assessment.

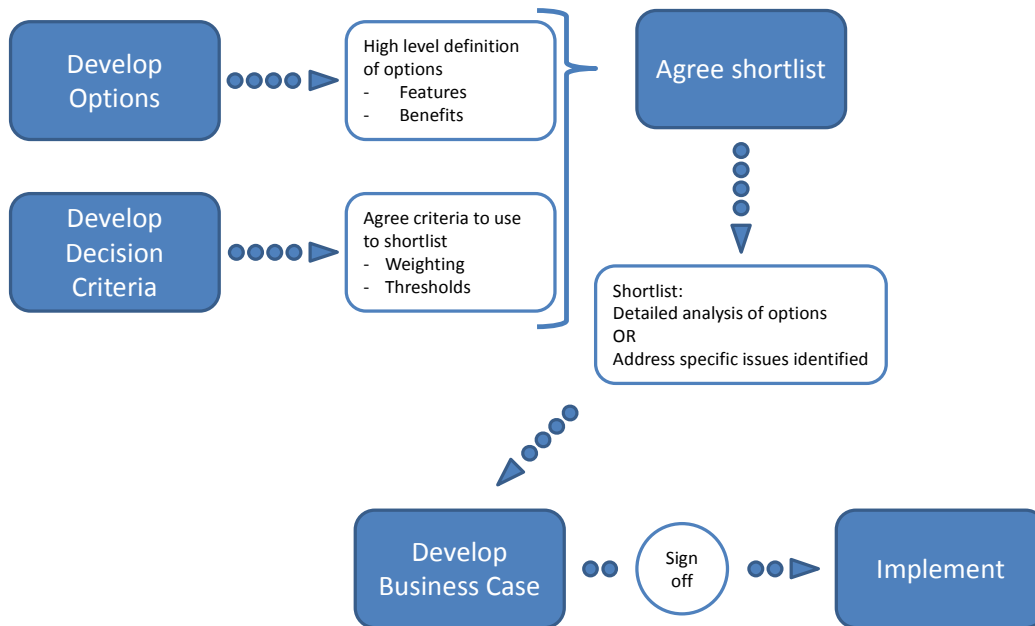
8 Key Considerations

Introduction

- 8.1 Hoople Ltd was established as a Joint Venture Company in April 2011 as a result of the shared services project undertaken in partnership with the NHS in Herefordshire to provide “back office” services. The Council’s contract with Hoople takes the form of a shared services agreement supported by annually agreed service level agreements. The scope of services provided to the Council currently covers human resources, recruitment and training; finance, revenues and benefits and Information Technology (IT).
- 8.2 The Council owns 74.7% of Hoople, with the remaining 25.3% owned by the Wye Valley Trust.
- 8.3 After it was established in 2011, Hoople delivered substantial savings in the cost of services delivered to the Council. The recently renegotiated service level agreement for 2014/15 has achieved a contract variation to deliver further savings in excess of £1.2 million. A report on the progress of the company will be presented to the meeting by the Managing Director of Hoople and a copy is attached as appendix A.

Joint review

- 8.4 The Council’s current contract with Hoople will come to an end on 31 March 2016. The Council, therefore, needs to agree its approach to commissioning the services from April 2016.
- 8.5 When it was first established Hoople delivered significant savings to the Council and the contract variation agreed for 2014/15 has successfully driven further savings. Given the length of time left on the contract, it is appropriate for the Council to consider its long term plan for the delivery of the services.
- 8.6 As a shareholder, the Council has a special relationship with Hoople. Therefore a joint review has been commissioned by the cabinet member to examine the options available to the Council for future service delivery arrangements. This review is due to report to Cabinet in on 3 July 2014.
- 8.7 The diagram below shows the process that will be used to arrive at a preferred option. The project team aim to examine the full range of strategic options to enable Cabinet to consider the best way forward. The Committee is invited to provide comments as to whether there are particular models of service delivery that it thinks should be explored as part of the process.



8.8 The first stage in the process is to define a set of criteria that will be used to ensure a consistent approach to assessing the options. The proposed criteria are listed below. The criteria have been developed jointly with Hoople and are based on the Council’s Commissioning and Commercial Strategy and previous major commissioning exercises such as the procurement of public realm services. They are divided into primary and secondary criteria with the primary criteria being more heavily weighted. Comments are invited from the Committee on the criteria.

PROPOSED PRIMARY CRITERIA

Value for money

- Delivery of further savings and demonstration of value for money

Improved service delivery

- Improved service delivery and efficiency
- Future flexibility in service delivery
- More resilient service delivery

Legal and deliverable

PROPOSED SECONDARY CRITERIA

Economic impact

- Support for local economy, jobs , training and income generation
- Value of Council shareholding

Conclusion

- 8.9 The report from the Managing Director of Hoople sets out the development of the company and the way it has worked with the Council to deliver services and substantial savings. Given that the current contract with Hoople comes to an end on 31 March 2016, it is the right time to consider the best approach to the future. The approach to a joint review is outlined above and Cabinet are due to consider the outcome of this review in July this year. Comments and suggestions from the Committee are welcomed to ensure that this review takes into account the important issues so that Cabinet can take a considered decision when it meets in July.

9 Community Impact

- 9.1 The services delivered by Hoople underpin the delivery of the range of services provided by the Council. It is also responsible for the revenues and benefits service which includes direct contact with Council customers.
- 9.2 In addition, Hoople has become a provider to a range of community focussed organisations, offering the back office support that enables them to continue to provide services.

10 Equality and Human Rights

- 10.1 Equalities and diversity requirements will be considered as part of the joint review and an equality impact assessment will be carried out, if necessary, before any new arrangements are put in place.

11 Financial Implications

- 11.1 None as a result of this report.

12 Legal Implications

- 12.1 None as a result of this report.

13 Risk Management

- 13.1 The current contract arrangements with Hoople are based on an agreed service level which is managed in accordance with contract procedures with risks identified and escalated where appropriate. Given that the current contract with Hoople comes to an end on 31 March 2016 and the core nature of the services provided, it is important to consider the Council's future approach to commissioning such services well in advance. This is important to mitigate any risks associated with service continuity and value for money and enable effective planning and delivery of any changes that might be necessary in advance of the end of the current contract.

14 Consultees

- 14.1 None

15 Appendices

15.1 Appendix 1: Update Report from the Managing Director of Hoople

16 Background Papers

16.1 None