



*in partnership with*  
**CAPITA**

A photograph of a modern building facade with curved balconies and large windows, set against a clear blue sky. The balconies have dark metal railings. A blue banner is overlaid on the bottom right of the image.

## Strategic Partnership Value for Money Report - September 2009

# Summary of Key Achievements

## A summary of the key achievements of the Partnership is provided below:

- New **£5m** Regional Business Centre
- **620 new jobs** created
- A reduction of **£600,000 per annum** on the like for like provision of the services transferred to Capita
- A further commitment to deliver efficiency savings of **2% per annum** over the remainder of the contract
- Increased capacity & capability to deliver high quality services
- Reduced highway tripping claims by **39%**; resulting in **£5.15m** released for investment since 2002
- Design & delivered **£11m** town centre regeneration programme
- Raised **£8,000** in 2008 for local charities
- Committed to Investors in People (IIP)
- Lloyds Register Quality Assurance for Quality Management, Environmental Management & Occupational Health & Safety Management
- Procured savings through innovative procurement embracing 'rethinking construction' & early contractor involvement
- Efficiency through improved use of innovation & technology
- Value of the Strategic Partnership recognised by the Audit Commission CPA

Whilst it is difficult to be precise, it is estimated that the overall added value to the Council from the 15 year partnership with Capita is likely to be at least **£24m**. This is made up of efficiency savings including costs of risk transfer, fee reductions and investment savings.

In addition, the increase in **direct value** to the local economy from new Capita employees is now **£7m per annum**.

# Introduction

## Purpose of this Report

This report aims to demonstrate how Capita, as a strategic partner to Blackburn with Darwen Borough Council deliver overall added value.

It is often difficult to quantify the added value that we provide in the context of pounds and pence. We aim to directly address this by demonstrating where Capita and the Council have worked seamlessly in the pursuit of quality services and targeted outcomes over and above the contractual requirements of the Partnership. It is within this context that our Partnership thrives.

## Background

Blackburn with Darwen Borough Council and Capita established a 15 year Strategic Partnership for the development, delivery and modernisation of a range of Council services in July 2001. Following a fundamental review in 2006 the services now provided include human resources, occupational health and payroll, highways management, traffic & transportation, architecture, property management, building services, civil & structural engineering and project management, elements of financial administration, print, some school business support services, housing benefit administration, and council tax and NNDR collection.

The Partnership was one of the first of its kind and was tailored to meet the specific needs of both partners to create a mutually agreeable set of outcomes associated with delivering:

- Service Improvements;
- Reduced Costs; and
- Regeneration

Whilst it is essential that these core services are delivered in a customer focused, quality and timely manner, it is the way that both Capita and Council work together that creates added value. As a result the Partnership becomes much more than a contract.

It is within the following areas where our combined approaches provide demonstrable evidence of a Value for Money service; by providing the Council with:

- Engagement & Involvement
- Flexibility
- Innovation & Best Practice Outcomes
- Alignment with LAA Performance Priorities to:
  - Improve health & wellbeing
  - Build stronger & safer communities
  - Improve the local economy
  - Improve educational achievement
- Delivery & Ambition
- Capacity & Capability



## Engagement & Involvement

Collectively, we have worked hard to ensure that we not only engage with customers, Elected Members and other relevant third party organisations but also invest in the Partnership by setting up forums and working groups to improve communications and dialogue. At Capita we consider ourselves as another Council department and regularly attend the full scope of management team meetings to contribute and add value wherever possible.

### Engaging with

- Council Directors
- Senior Policy Team (SPT)
- Executive & Lead Members
- Ward Members
- Parish Councillors
- Customers/Public
- Local Strategic Partners

### Involvement in

- Directors Team
- Departmental Management Teams
- Programme Area Meetings
- Working Groups
- Ward Issues Meetings
- Neighbourhood Action Partnerships
- Local Strategic Partnership



## Flexibility

Any successful Partnership must recognise that agendas, needs, expectations and outcomes will change over time. In addition, key relationships change and as a result the Partnership needs to take on new dimensions throughout the life of the contract.

Therefore to stand the test of time, the Partnership has had to be flexible, adaptable and able to respond to new and emerging priorities. For example, Capita has seconded managers into the Council at short notice to support project delivery.

In 2006 a Fundamental Best Value Review (FBVR) was undertaken allowing an extensive review of the Partnership. This review was structured around strategic aims and objectives, the operational management arrangements and service delivery.

The FBVR demonstrated Capita's flexibility in response to the Council's changing needs. This flexibility and adaptability can be demonstrated by our ability to respond to:

- **Service Changes & Change Controls** – implement adequate controls to ensure service delivery continues at the same level, but has included return of some services to the Council.
- **Statutory Duties** – respond to changes in legislation and requirements.
- **Public Service Agreements** – play a vital role in galvanising public service delivery and driving major improvements in outcomes.
- **Work Planning** – adapt to meet changes in work programmes by committing resource.
- **Changes in Partnership Governance** – inform, agree and deliver changes.
- **Decriminalised Parking Enforcement (DPE)** – respond to changes in legislation to ensure that the service meets legal requirements.
- **Short Term Capacity Issues** – work closely with the Council to limit problems and address any potential issues.

# Innovation & Best Practice Solutions



Innovation is at the heart of everything we do and we are confident that we have brought many new ideas to the Partnership. It is about developing creative solutions to real issues that result in cost reduction or service improvement. The most important tools we have are our people and our culture in which innovation is allowed to prosper.

The Council needs, from its strategic partner, a challenge of the status quo, providing ideas and alternatives over and above contractual core services. Our ability to deliver innovation can be demonstrated through the following examples:

#### External Funding

Capita continues to work collaboratively with the Council to identify and secure funding applications, including most recently almost **£500,000** from the Department for Transport.

#### Highway Claims

Capita pioneered the innovative process to reduced highway tripping claims by **39%**; resulting in **£5.15m savings since 2002**.

#### Realise

In 2003, Capita implemented 'realise', an integrated property solution for the Education department. The tool not only provides council school managers and headmasters access to relevant property data and legislative documents required to manage their schools, but also an integrated approach to asset management and corporate strategic planning, mitigation of risk, budget preparation and time.

#### New Member's Services Team

Working collaboratively with the Council, Capita launched a new dedicated Member Service Team in February 2009. The service provides a valuable, accessible and efficient link between Elected Members and Capita.

#### Early Contractor Involvement

Early Contractor Involvement (ECI) is a relatively new and innovative form of procuring major projects which has been utilised by Capita in the delivery of a number of schemes including the design and build of the £6m Newfield Special School providing greater cost and programme control.

#### Property Rationalisation

Capita undertook two accommodation reviews to assess the potential benefits and opportunities on behalf of the Council. The findings highlighted significant opportunities to link into new development programmes such as Building Schools for the Future to create shared neighbourhood centres that co-locate public facilities and improve customer access.

#### Pay and Reward Review

Capita played a major part in ensuring equal pay across the Council, as well as assisting in the recruitment and retention of a 6,000 strong workforce. The HR & Payroll team contribution was recognised as winners of the prestigious Pay Magazine's, **Payroll Outsourcing Provider of the Year 2008**.

## PAY AWARDS 08

#### Replacement of Anite Electronic Document Management System (EDMS)

In order to maintain efficient processing within the Electronic Document Management System, a new server farm was procured, delivered and implemented within the agreed timescales.

Shortly after its introduction evidenced by the March 2004 upper quartile performance for new claims and a significant reduction in outstanding work.

# Alignment to Corporate Priorities

## Improving Health and Well Being

At Capita we work to improve the health and well being for all our staff and local residents, by delivering new capital projects such as the new £10.6m Darwen Leisure Centre and improving local parks and recreational areas for residents. This is demonstrated through:

### Healthier Lifestyles

Capita promotes healthier lifestyles to our staff and their families, providing information to enable the message to be disseminated through the community.

We promote sustainable travel including walking and cycling amongst staff and the community. Capita will shortly be promoting a short term loan option for staff who may wish to purchase bicycles. We also provide facilities such as secure cycle parking, showers and drying rooms within our business centre.

We provide free health checks for all staff at regular intervals and offer expert guidance in relation to dealing with specific problems, as well as providing free smoking cessation courses for staff.

We promote dietary advice to staff. More recently we have introduced 'Fruity Monday' whereby all staff have access to free fruit.

At Capita we want all of our employees to be healthy and content. We actively promote work life balance and recently launched our Staff Wellbeing initiative.

## Casualty Reduction

Working closely with the local authority in the development of road safety strategies we have seen a reduction in the number of bed days for casualties arising from road traffic accidents. This has seen a reduction in the number of killed or seriously injured by **60%** in the Accident Frequency Ratio we are now the 6th best performing local authority in the country.

As a result of their innovative work the Casualty Reduction has received a number of **high profile awards** including:

International Prince Michael Road Safety Award for Improved Public Education

British Association of Communicators in Business (CiB) 2008 Awards

We provide FREE cycle training and bicycle checks to all children over the age of 10 within the Borough. This was designed to enhance existing cycling skills and improve road safety and awareness.

## Supporting Charities

Capita continues to support local and national charities. In 2008 we raised over **£8,000 for local charities** and good causes and supported a staff volunteer day alongside East Lancashire Hospice – our nominated local charity of the year. We were delighted to once again sponsor the Mayor's Ball and we also supported The Hurstwood Group, Annual Charity Ball Prize Draw to raise vital funds for local children's hospice, Derian House.

Capita is an **accredited Investors in People (IIP)** organisation



## Build stronger and safer communities

Capita supports the Council's Community Safety Partnership to deliver community engagement, community cohesion, environment, liveability/public realm, enforcement and community safety. This is demonstrated through:

### Delivering Regeneration

We have designed and delivered a **£11m regeneration programme** for Blackburn town centre including improvements to Town Hall Square, Whalley Range, Lower Northgate, Lower Audley and the Cathedral Quarter which aimed to design out crime.

### Introduction of Neighbourhoods Inspectors

In response to the Neighbourhoods Agenda, we redeployed our Highway Inspectors to ensure a greater presence within these local areas; responding to their needs with a greater understanding and providing a presence along with the Council's Area Officers.

### Utility Openings

We have improved quality of restatements to road openings through better inspection of utility companies.

### Tackling Worklessness

We engage with Bootstrap Enterprises to empower individuals and their communities to make Blackburn with Darwen a safer and more enjoyable place to live. We help individuals to make positive steps towards a better future through worklessness programmes including practical work experience on the Council's community allotments and the provision of tools and equipment in order to undertake this work.

### Innovative Engagement

Capita deliver innovative engagement arrangements and award winning casualty reduction schemes for a diverse range of residents from across the borough.

### Safer Communities

Capita deliver numerous environmental enhancements and new home zone schemes to areas prone to road casualties. Capita received the National Transport Award for Road Safety 2006 and the Highway Engineering Improvement Award 2000 for their work.

### Innovative Play

Capita is currently delivering Phase 2 of the Council's Play Pathfinder scheme, part of the government's **£235m investment** in play to transform local areas into innovative and adventurous play spaces.



Capita's casualty reduction team developed and delivered a highly successful **'Mosque Marshalling' scheme** that sees volunteers trained to act as crossing patrols at various strategic safe points. The team supports the strategy by giving talks to young children at the mosque about pedestrian safety and handing out reflective jackets. The scheme was awarded International Prince Michael Road Safety Award for Improved Public Education 2007.

# Alignment to Corporate Priorities

## Improve the local economy

Capita understands the need to deliver regeneration in order to tackle poverty, skills and worklessness in the borough.

As a strategic partner, Capita supports the Pennine Lancashire Agenda and the PLLACE development of a Pennine Lancashire Multi-Area Agreement with the five other district Councils, Lancashire County Council and central government departments. We continue to support the Council's priority and this can be clearly demonstrated through:

### Local Employment

As a strategic partner we provide over **1000** jobs mainly for local residents, including establishing a major contact centre and expansion at India Mill, Darwen for TV Licencing and Criminal Records Bureau contracts, and are high value positions within Capita Symonds, our property and infrastructure consultancy. This has brought an **additional direct value to the local economy of £7m per annum**.

### Efficiency Savings

On contract signature in 2001 there was a reduction of **£600,000 per annum** on the like for like provision of the services transferred to Capita. At the Fundamental Best Value Review (FBVR) Capita reduced the annual cost of the core services by a further **£273,000 per annum**. Capita also made a commitment to deliver efficiency **savings of 2% per annum** over the life of the contract. Examples of how this has been achieved include:

- Savings were achieved due to an **over performance** against revenue collection targets in 2007/8 which was worth £126,000 to the Council
- Highway tripping claims **reduced by 39%**, resulting in a **total of £5.15 million** being available to spend on highways. The annual levels of successful claims is now **£200,000 per annum against £1.2 million** per annum in 2001
- Transfer of liability for such items as the staff pension fund where employer contributions will have increased by 78% in 2010 and likely to require a considerable additional payment at the end of the contract.

These savings will be reinvested by the Council into the local community.

## Supporting Local Students

Capita supports local training, apprenticeships (Training 2000) and mentoring opportunities for local young people to develop their skills within the workplace.

## Local Purchasing

Capita continues to support local supply chain purchasing where appropriate

## Local Representation

Capita is represented on the Local Strategic Partnership, Chamber of Commerce and Lancashire Economic Partnerships; providing both strategic and financial community support.



Capita worked in Partnership with Blackburn with Darwen to successfully submit a business case to the Department for Transport securing funding of £8.9 million for future regeneration projects: one such project was **Wainwright Bridge** which opened in 2008 - an iconic bridge which forms a major part of the Council's £12m overhaul of major access routes into Blackburn town centre. The replacement of an existing Victorian structure provided congestion relief whilst enabling future regeneration and an opportunity for existing business to grow as well as attracting new business investment in Blackburn.

# Alignment to Corporate Priorities

## Improve educational achievement

Capita supports the Council's ambition to improve education attainment in the borough. We are technical advisor for the Council in their Building Schools for the Future (BSF) programme which will radically improve the quality of the schools estate in East Lancashire over the next 10 years. We are also working as the lead design partner for the delivery of new schools within Lancashire. We are aware of the need to up skill local communities and increase performance for all maintained schools. Great progress has been made in this area and we continue to support by:

### Mentoring opportunities

We work in partnership with SETPOINT Lancashire which is part of the Science, Engineering and Technology Network (SETNET). SETPOINT aim to provide opportunities for young people to access and provides an appropriate Science, Technology, Engineering or Maths (STEM) activity linking schools to business and the 'world of work'. A number of our staff are recognised Educational Ambassadors for the campaign and provide mentoring through educational workshops delivered in a school environment.

Budding scientists were invited to take part in the 'Blackburn Power Game', a competition event designed to celebrate National Science and Engineering Week. The event which was organised by SETPOINT Lancashire, and sponsored by Capita saw teams from local primary schools pitch against each other in a battle to solve innovative transport based puzzles. Capita has supported the competition for a third year by providing facilitators, prizes and the illustrious Capita Shield which was presented to the winning team.

### Work Experience Placements

By working in partnership with **Lancashire Education Business Partnership (LEBP)** we provide work experience opportunities designed to compliment existing studies. This requires a significant investment of our staff time in ensuring that the placements offered are relevant, structured and carefully supervised. This contribution is a measure of our commitment to the community's broad educational agenda.

### Local Schools

Capita also take part in various mentoring schemes with secondary schools throughout the country. Capita and Witton Park High School Business and Enterprise College. Staff from within different departments of Capita acted as mentors to the school, each spending half a day a week with the students, helping them to complete their coursework and giving them an insight into office life. **Witton Park High School** were informed by the DfES that it was the 2nd most improved school in the country in England in Wales in 2005. Capita have also supported the school to attain "**Business and Enterprise College**" in March 2004 through **£32,000** of funding and providing a Governor to the school.

### Supporting Young, Local Talent

Capita actively recruits fresh, local talent and supports our employees through professional development.

Capita contributed **£20,000** to create a new Performing Arts Centre at the Thwaites Theatre. We also contribute **£1,500** per year taking a full house of staff and families at the annual pantomime.

### Lecturers

Capita has provided guest speakers at a number of local schools and colleges, including **UCLAN** and **Blackburn College**.

### Internal Skills Development

Through our internal training schemes we aim to support our existing workforce at all career levels. We have a number of schemes in place including the Skills Centre, a technical development scheme specifically tailored to each individual applicant's career aspirations via a structured mentoring programme, linked to the City & Guilds Professional Development Award. 'Evolve' is a two year training programme specifically tailored towards leadership and management needs and **Business wise** gives graduates key business skills and the award of a Postgraduate Certificate in Business Performance Management from **Salford University**.

### Supporting professional development

We support our employee's requests to study at college, university, or to become chartered with professional institutions. We arrange and oversee a wide range of CPD events aimed to ensure that all our employees receive continuous development in their specific profession. Wherever possible we carry out training at CastleWay House to reduce travel times and inconvenience for our staff.

### Duncan Hammond

Duncan began his career at Capita as an Architectural Assistant in 2003. We supported him in becoming a Chartered Architect. He has been a key component in the design of new schools including Newfield SEN and the Building Schools for the Future (BSF) programme in Lancashire.

### Imran Munshi

Imran is a Highway Design Engineer within the Civil Engineering Design Team. Capita supported Imran through towards ICE Chartered Engineer professional qualification. He has worked on Town Centre Renaissance schemes and design and construction of Barbara CastleWay.

## Delivery & Ambition

The recent CPA inspection by the Audit Commission awarded **4\* status** - putting Blackburn with Darwen Borough Council in the top 16 per cent of single tier and county councils nationally. It highlighted the Council's strong ambitions for the future. It is the role of Capita, as a strategic partner, to develop these ambitions, where appropriate, into deliverable schemes with appropriate levels of funding.

Overall, our shared achievements have significantly advanced progress on delivering the Council's Sustainable Community Strategy and Local Area Agreement.

In 2009 we introduced a Joint Business Plan to provide a focus going forward. This includes a number of strategic and operational targets against which achievement will be monitored.

We have also introduced a new performance regime whereby KPIs are monitored with penalty payments for under performance.



## Capacity & Capability

Capita continues to grow in size and now has over 36,000 employees nationally, covering a wide range of outsourcing activity.

In Blackburn alone we successfully transferred over 500 Council staff at the beginning of the Partnership and have since created over **620 new jobs** including establishing a **major award winning** contact centre at India Mill Darwen for TV Licencing and Criminal Records Bureau contracts.

This growth has been achieved in a response to market demands; ensuring that we can deliver the **first class service** required by our clients. In 2001 the Council did not have the capability or capacity to design and manage the new Wainwright Bridge, however through investment we have proven we can deliver landmark projects from within the borough.

We continue to develop our in-house capability, providing the Council with a single supplier to deliver services, reducing time and cost of procurement. More recently we have developed transport planning, project management as services, sustainable solutions, ecology, interior design and fire engineering services and we will continue to respond to market demands. Increasingly the Blackburn Business Centre is recognised nationally as a Centre of Excellence.

The Partnership also provides the Council with access to greater capacity and services from across a FTSE 100 company.



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