



## Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Executive Committee, 17 November 2021

**Report title:** TVFCS - Transfer of the Secure Solutions and Services (“SSS”) business to Capita (SSS) Limited (“Capita SSS”) and subsequent sale of Capita SSS

**Lead Member:** Councillor Lesley Clarke OBE

**Report sponsor:** Deputy Chief Fire Officer Mick Osborne

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**Action:** Decision

### Recommendations:

1. That approval be given for the Deed or Novation between Oxfordshire County Council, Royal Berkshire Fire Authority, Capita Secure Information Solutions Limited (“CSIS”) and Capita (SSS) Limited (in relation to the ‘Mobilising System Contract’) to be completed.
  2. That approval be given for the Deed of Novation between Royal Berkshire Fire Authority Capita Secure Information Solutions Limited (“CSIS”), and Capita (SSS) Limited, in relation to the contract for the provision, maintenance and support of the DS3000 Integrated Communication Control System (ICCS).
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### Executive summary:

Thames Valley Fire Control Service (TVFCS) utilises the ‘Vision 4’ mobilising system, which is provided by the Secure Solutions and Services business (“SSS”) that currently sits within Capita Secure Information Solutions Limited (“CSIS”) a subsidiary wholly owned by Capita plc.

Thames Valley partners - the Authority, Oxfordshire County Council (OCC), and Royal Berkshire Fire Authority (RBFA) - entered into an inter authority agreement which included this provision which formally commenced when TVFCS ‘went live’ in **April 2015**.

At the meeting of the Executive Committee held on the **15 September 2021**, there was approval given following the recommendation from the Thames Valley Fire Control Service (TVFCS) Joint Committee on **12 July 2021**, pursuant to the inter authority agreement (IAA) relating to the steady state operation of the TVFCS, to

extend the contract of the 'Vision 4' mobilising system of one year from **April 2022 – March 2023**.

Earlier this year Capita plc undertook an extensive review of its portfolio, with an aim – in its words - to consolidate its activities into consulting, transformation and digital services, which has led to a decision to restructure some areas of its business.

As a result, it is its intention to transfer the entire SSS business to a new company within the Capita group, namely Capita (SSS) Limited. The contract between OCC and RBFA and CSIS for the 'Mobilising System Contract' "Agreement") is one such contract that would transfer to the new company.

Furthermore, the contract between RBFA and CSIS for the provision of DS3000 (ICCS) support and maintenance (the "Call-off Agreement"), is a further customer contract that would also transfer to the new company. It is believed that the Call-Off Agreement is the successor to a contract between RBFA and CSIS dated 2 October 1995 in place at the date of the IAA.

At the point of transfer, both the Agreement and Call-off Agreement would become the responsibility of Capita SSS for all the obligations and liabilities under those agreements, as though it had always been a party to the Agreement and Call-off Agreement. This would ensure TVFCS experience no break in service continuity whatsoever.

Finally, against the backdrop of the restructure, Capita plc have also entered into negotiations with NEC Software Solutions UK Limited, in relation to the proposed purchase of Capita SSS.

#### **Financial implications:**

The maintenance and support aspects of both the Agreement and Call-off Agreement are paid from the TVFCS Revenue Account.

In accordance with Schedule 7 of the IAA, one of the receipts made into the TVFCS Revenue Account under this agreement comprises: payments of Annual TVFCS Contribution.

The Annual TVFCS Contribution payable by each party is determined in accordance with the cost apportionment model in the IAA.

Any changes in cost are incorporated into the Buckinghamshire Fire and Rescue Service (BFRS) budget, which will be presented at the Authority meeting in February 2022.

#### **Risk management:**

The agreement to extend the contract of the 'Vision 4' mobilising system of one year from **April 2022 – March 2023** ensured the necessary technical support arrangements between TVFCS Capita SSS service contract could be maintained.

Furthermore, in evaluating the optimum extension period, consideration was given toward the announcement made by Capita plc in March 2021, relating to a restructuring programme that would result in the sale of Capita SSS.

This was captured as a high risk in the TVFCS risk register, as follows.

*If Capita SSS is sold and the purchaser makes unfavourable decisions on software development and provision of support, which is likely given commercial uncertainties around the sale, then we can expect TVFCS to experience substantial impacts on their ability to deliver an efficient, effective and resilient service which is significant in respect of delivering our statutory fire and rescue functions.*

By agreeing to the one year extension, this will allow BFRS to monitor and react to the outcome of the sale and consider how to proceed beyond the extended contract end date.

Officers will bring forward recommendations to the TVFCS Joint Committee in **July 2022** setting out whether to further extend the contract in line with the agreement or seek to commence a full replacement.

By agreeing to recommendations 1 and 2, the Authority is also allowing OCC and RBFA to consent to the subsequent sale of Capita SSS Limited to NEC Software Solutions UK Limited. This consent will remain in place for 6 months from the novation of the contracts to Capita SSS and applies only to a sale to NEC Software Solutions UK Limited. This is in the event that either the Agreement or the Call-Off Agreement allow for termination by OCC and RBFA if there occurs a 'change of control' of Capita SSS.

#### **Legal implications:**

RBFA and OCC are parties to the 'Mobilising System Contract' and contract for the provision, maintenance and support of DS3000 (ICCS). The legal implications of terminating or extending the contract are set out in the contract and procurement teams of RBFA and OCC have been engaged to ensure that the contracting authorities comply with the relevant legislation.

Both contracts are detailed within the IAA, "Clause 17.5. No material variation shall be made to a TVFCS Contract without the prior agreement of the Fire Authorities (not to be unreasonably withheld or delayed) [...]"

"Clause 17.3. [...] A Fire Authority, on its own account or jointly with another, shall not enter into a new TVFCS Contract without the agreement of the Fire Authorities (not to be unreasonably withheld or delayed) [...]."

#### **Privacy and security implications:**

No privacy or security implications have been identified that are directly associated with this report.

#### **Duty to collaborate:**

TVFCS is a collaborative shared service between BFRS, Oxfordshire Fire and Rescue Service (OFRS) and Royal Berkshire Fire and Rescue Service (RBFRS). Officers will review collaborative opportunities with the Police and Ambulance Services for the 'hardware refresh' through the collaboration governance boards.

**Health and safety implications:**

There are no Health, Safety or Wellbeing implications arising from this report.

**Environmental implications:**

There are no environmental implications arising from this report.

**Equality, diversity, and inclusion implications:**

There are no equality and diversity implications identified at this time.

**Consultation and communication:**

The decision-making bodies within RBFA and OCC will be receiving similar reports; and will be notified by the author of the content of this report and the decisions of the Executive Committee.

Detailed within the IAA the three fire and rescue authorities created a joint committee (the "Joint Committee") under section 102 of the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

The agreement sets out the basis on which the Joint Committee is established and the agreed arrangements for its operation.

The interests of the Authority are currently represented on the Joint Committee by Councillors Lesley Clarke OBE the Joint Committee's current vice-chairman and Steven Lambert.

**Background papers:**

Buckinghamshire and Milton Keynes Fire Authority meeting held on the 22 October 2014 (item 8, pages 21 to 39)

[https://bucksfire.gov.uk/documents/2020/03/fire\\_authority\\_agenda\\_221014.pdf/](https://bucksfire.gov.uk/documents/2020/03/fire_authority_agenda_221014.pdf/)

Agenda for the Thames Valley Fire Control Service Joint Committee - 12 July 2021 (item 12)

<https://decisionmaking.rbfrs.co.uk/ieListDocuments.aspx?CId=159&MId=1719>

Agenda for the Royal Berkshire Fire Authority Management Committee - 29 July 2021 (item 9)

<https://decisionmaking.rbfrs.co.uk/ieListDocuments.aspx?CId=137&MId=1543&Ver=4>

Buckinghamshire and Milton Keynes Fire Authority Executive Committee meeting held on the 15 September 2021 (item 7)

<https://bucksfire.gov.uk/documents/2021/09/item-7-tvfcs-mobilising-agreement-ex-150921.pdf/>

Agreement relating to the steady state operation of the TVFCS (with consolidated amendments as approved by resolution of the TVFCS Joint Committee 25 July 2016)

<https://bucksfire.gov.uk/documents/2021/09/legal-agreement-relating-to-the-steady-state-operation-of-the-thames-valley-fire-control-service.pdf/>

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1 (a) and (b)	Letters from Capita dated 30 September (a) and 12 October 2021 (b), in relation to the - Transfer of the Secure Solutions and Services (“SSS”) business to Capita (SSS) Limited (“Capita SSS”) and subsequent sale of Capita SSS.	None