

REPORT OF THE LEADER**TRANSLATION AND INTERPRETATION SERVICE PROPOSAL****Purpose of the Report**

1. To seek approval for The Language Shop to provide translation and interpretation services for the County Council.

Information and Advice

2. The need to deliver translation and interpretation services in a different and more efficient way was first identified back in 2009. Alternative delivery options were not progressed for a variety of historical reasons until a shared service with Nottingham City Council was actively explored with approval from Policy Committee in the autumn on 2012. This was unfortunately not able to go ahead at the current time.
3. The existing in house translation and interpretation service requires significant investment to implement efficient back office processes, estimated as a one-off cost of between **£100-200k**. This is to achieve changes in workflow, develop an online system and review the terms and conditions of interpreters and translators.
4. Ongoing staff and running costs are additional and represent a minimum of **£55,000** a year. This amount would increase considerably if a full-cost recovery model was implemented.
5. There is no budget identified to make the necessary improvements to service. Even if budget could be found, this would not represent good value for money because:
 - If the service operated a full cost recovery model it would not meet its costs;
 - Delivering a financially sustainable service for the future is reliant on delivering translation and interpretation jobs for external customers (as the volume of work from the County Council itself is relatively small); and
 - It is becoming harder to maintain external business and very challenging to increase this due to an increasingly competitive marketplace (most councils have already ceased to provide an in-house service in favour of commissioning translation and interpretation).
6. Since the last Policy Committee update in February 2013, alternative options for delivering translation and interpretations services have been explored including: operating a mixed

model; establishing a shared service with another public sector provider; commissioning a private sector provider; and commissioning a public sector provider.

7. After considering all the options, the recommendation is to commission The Language Shop to provide translation and interpretation services on behalf of the County Council. The Language Shop is part of the London Borough of Newham and has over 20 years experience providing translation and interpretation services to the public sector. It is quality assured through Investors in People, the Charter Mark for Customer Service Excellence and is in the process of securing ISO 9000 accreditation. The Language Shop has a proven track record of successfully providing translation and interpretation services to a range of public sector providers in the London area and is looking to expand its business model into other regions.
8. This option is recommended because the Council would make savings whilst receiving an improved service compared to the current in-house provision. Specifically:
 - It represents best value for money
 - It will deliver an improved quality of service and customer experience
 - It will support local translators and interpreters (all will have the opportunity to apply to work for the Language Shop)
 - It is a low risk option for the Council
9. See **Appendix A** for full details of the proposal, along with a benefits and risk analysis. Under the proposal Council departments would pay the same overall amount for translation and interpretation under the contract with The Language Shop. The overall average payment to translators and interpreters would be comparable to their current rate of pay.
10. The Language Shop would be commissioned for an initial one year contract. Based on the volume of translation and interpretation work in 2012-13, this represents **£107,500** of work which would be commissioned. The Language Shop is on the HealthTrust Europe framework, which means a direct contract award could be made and there would be no need to undertake a procurement exercise to select a supplier. There is likely to be a fee for the use of HealthTrust Europe's framework which is estimated at approximately 1% of the contract spend.
11. In Year 1, a one-off transition fee which is estimated to be no more than £20,625 would be needed for the service to be transferred to The Language Shop (e.g. setting up access to the online portal and implementing payment arrangements). This would be met through the in-house staff salary cost saving of £55,000. In addition, from the same saving, Communications and Marketing would pick up the cost of The Language Shop to manage and deliver the service, which is also estimated to be no more than £20,625.
12. In Year 2, Council departments would need to pick up any management and delivery fees applied thereafter. If the contract was extended it is expected that The Language Shop would reduce the management and delivery cost by finding further efficiencies (e.g. through bulk bookings). This means the potential for Council departments to make savings on translation and interpretation are likely to increase in future.

13. The proposal would achieve **a minimum of £13,750 cashable savings in Year 1 and £55,000 cashable savings in Year 2**. Additional non-cashable savings would also be made by stopping back office activity relating to ceasing the in-house service. This includes: manual processing of payments to interpreters; processing of invoices, credit control and cash flow; and management costs of running the service.
14. The following stakeholders would be affected:
- Two Council employees
 - the staff currently running the service would potentially be put at risk.
 - 121 translators and interpreters
 - the vast majority would be likely to work for The Language Shop (facilitated through a simple application process) and would receive a fair work allocation for jobs in Nottinghamshire, supporting their future engagement.
 - County Council staff who use the service
 - requests for jobs would be done online instead of by telephone or email (supporting channel shift); a single point of contact telephone helpline to The Language Shop would be still available; improved out of hours service (24/7 online portal not reliant on office hours); and better management information.
 - External organisations
 - adequate (3 months) notice would be given and they could choose to use The Language Shop.
 - People of Nottinghamshire (end users of the service)
 - an Equality Impact Assessment has been produced and no negative impact is anticipated.
15. It should be noted that The Language Shop is developing proposals (subject to approval) to become a trading organisation which complies with the Localism Act 2012. In the first instance this would mean establishing the Language Shop as a company which is 100% owned by the London Borough of Newham. Longer term, The Language Shop's aspiration is to develop a co-operative model that would involve all stakeholders (including buyers, direct employees and freelance interpreters/translators).

Recommendation

- i. Commission the Language Shop to provide translation and interpretation services on behalf of the County Council for an initial twelve month contract.

Councillor Alan Rhodes
Leader Elect of the Council

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Constitutional Comments [EP 22/03/13]

1. The recommendation in the report falls within the remit of the Policy Committee. Any contract entered into with The Language Shop should be in a form approved by the Group Manager Legal and Democratic Services.

Financial Comments [RWK 22/04/2013]

2. The financial implications are set out in the report.

HR Comments [AB 29/4/13]

3. During the transition phase issues relating to TUPE will need to be considered. Transition arrangements would need to be implemented in accordance with this legislation.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Electoral Division(s) and Member(s) Affected

All

Appendices

Appendix A – Proposal document