

REPORT TO:	Cabinet 8 July 2019
SUBJECT:	Children's Social Care: Supervised Contact Award
LEAD OFFICER:	Rob Henderson, Executive Director Children, Families and Education Nick Pendry, Director of Children Family, Family Intervention and Children's Social Care
CABINET MEMBER:	Councillor Alisa Flemming Cabinet Member for Children, Young People & Learning and Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</p> <p>This tender meets the council's statutory duty to provide contact between families for looked after children. It contributes to the administration's ambition to enable children and families to be healthy and resilient and maximise their life chances.</p> <p>The open tender is designed to secure high quality supervised contact services which are accessible to all families in the borough. This will enable the council to meet the following corporate priorities;</p> <ul style="list-style-type: none"> • To secure a good start in life, improve health outcomes and increase healthy life expectancy. • To support individuals and families with complex needs; 	
<p>FINANCIAL IMPACT</p> <p>Costs associated with this tender award are essential for service delivery and to fulfil the Council's statutory responsibilities. Expenditure is funded from the Council's Revenue Budget.</p> <p>The tender is divided into 2 lots.</p> <p>Lot 1: Supervised Contact: North Croydon: 5,000 hours, plus up to 4,000 additional hours, if required.</p> <p>Lot 2: Supervised Contact: South and Central Croydon: 5,000 hours, plus up to 4,000 additional hours, if required.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.: 2019CYPL</p> <p>As the total contract value is over £1 million, this is a key decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.</p>	

The Leader of the Council has delegated to the Cabinet Member for Children's, Young People and Learning the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

1.1 The Cabinet Member for Children's, Young People and Learning in consultation with the Cabinet Member for Finance and Resources are recommended by the Contracts and Commissioning Board to:

1.1.1 Approve the award of contracts for the delivery of the 2 Lots;

- **Lot 1: Supervised Contact: North Croydon;**
- **Lot 2: Supervised Contact: South and Central Croydon;**

To the provider and for the contract values as detailed in the Part B report on this agenda, for a contract term of three years, with an option to extend for a further one year.

1.1.2 To note that the names of the successful provider will be released once the decision has been implemented.

2. EXECUTIVE SUMMARY

2.1 Supervised contact is a statutory service that has been delivered primarily through a framework contract for supervised contact and assessment since November 2014.

2.2 The current framework contract for supervised contact was extended to October 31 2019 to allow for an open tender for supervised contact to be carried out.

2.3 The procurement strategy for the Children's Social Care Supervised Contact was set out in the "How we Buy" report was approved by CCB (reference CCB1469/18-19) on April 3 2019 and has been adhered to throughout the procurement.

2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
19/06/2019	CCB1492/19-20

3. BACKGROUND

- 3.1 In 2014, a contract award for the provision of supervised contact and assessments under a Framework Agreement was approved for a term of 2 years with an option to extend for a further 2 years at an estimated total value of £3.2m. The framework commenced on 1 November 2014 and therefore, with all extension options having been invoked, the contract will end on 31 October 2019.
- 3.2 We reviewed and revised our procurement approach for the procurement strategy by splitting the required volume of service into two lots, aligned to two localities; North Croydon, and, Central and South Croydon.
- 3.3 Volume in 2018-19 was approximately 18,000 hours of supervised contact. The minimum volumes are lower than actual demand, however, there is provision to secure up to 4,000 hours of additional provision for each lot based on prices submitted in each tender.

Procurement Process

- 3.4 Two provider engagement meetings were held in March 2019. There was a good level of interest, including from providers not previously known to the Council. Providers were asked for their views on possible service models so that we can better anticipate challenges for the market.
- 3.5 We circulated a provider questionnaire through the Council's E-Tendering portal. Responses were used to influence the service specification and tender documents.
- 3.6 The tender is divided into 2 lots as follows;

Lot	Location for Centre-Based Services	Service Levels
Supervised Contact		
Lot 1	North Croydon	<ul style="list-style-type: none">- Minimum guarantee of 5000 hours of supervised contact, of which a minimum of 3,500 hours will be centre based and the remainder community based.- Provision for up to 4,000 additional hours of supervised contact.
Lot 2	Central/South Croydon	<ul style="list-style-type: none">- Minimum guarantee of 5000 hours of supervised contact, of which a minimum of 3,500 hours will be centre based and the remainder community based.- Provision for up to 4,000 additional hours of supervised contact.

- 3.7 An Open Procurement Procedure in accordance with PCR 2015 was advertised on the London Tenders Portal (Council's E-tendering portal), the Council's website, and an advert was published in the OJEU on April 3 2019 and was

For Publication

open to the market for 36 days. We received six tender submissions for Lot 1 and four tender submissions for Lot 2, all on time.

- 3.8 The evaluation scoring was based on a 60:40 quality price ratio. This ratio will ensure that there is a sufficient focus on the quality of the service, in terms of practice, staff qualifications and expertise, and the environment for positive supervised contact to take place.
- 3.9 In the pricing matrix, providers have been asked to provide an hourly rate (per one inclusive contact hour) for the initial fixed hours (a) centre based and (b) community based. They had also provided an hourly rate for hours in excess of the guaranteed minimum.

Evaluation

- 3.10 An evaluation panel was established with members from the Children In Need and Care Planning teams in Children's Social Care. The method statement relating to data protection and confidentiality has been evaluated by the Council's information officers to ensure compliance with the Data Protection and Information Assessment. These scores were moderated with representation from Commissioning and Procurement acting as Chair of the process to ensure that due process was followed.
- 3.11 All Tenderers have been evaluated using a four stage process, as follows:
- 3.12 STAGE 1: Completeness of the tender submission, compliance and eligibility and all (if any) pass/fail questions in the Tender Response Document.
- 3.13 STAGE 2: Method Statements (60%)
- Service Delivery (10%)
 - Buildings and Premises (10%)
 - Workforce (10%)
 - Safeguarding (10%)
 - Quality Assurance (8%)
 - Data Protection and Confidentiality (5%)
 - Social Value (5%)
 - Premium Supplier Programme – Early Payment Rebate (2%)
- 3.14 STAGE3: Price Evaluation (40%)
- 3.15 STAGE 4: Site visits for top 3 scoring bidders.
- 3.16 The top three bidders for each lot were subject to a site visit, in accordance with the Invitation to Tender document. The site visits took place at one of the following;
- The existing Croydon site identified for service delivery.

For Publication

- An equivalent site run by the provider elsewhere.
 - A site that has been secured for the purposes of delivering the service.
 - In the absence of the tenderer offering one of above, at a location agreed with the tenderer.
- 3.17 Those bidders were also required to provide evidence that they are in a position to secure a suitable site to commence service delivery on 1st November 2019. One bidder has a secure site in North Croydon. Two other bidders were able to demonstrate they had potential options on a number of sites in the appropriate geographical areas. A further bidder was unable to demonstrate that they are likely to secure premises in the Lot 1 area within the required timescale.
- 3.18 Following the site visits, method statement scores for two questions, 6.4.2 Buildings and Premises, and 6.4.4 Safeguarding, were moderated at a final moderation meeting which was chaired by an officer from Commissioning and Procurement to ensure due process was followed.

Results from the Evaluation Process

- 3.19 Tenderers were required to secure a minimum average score of 3 on the method statement criteria for quality, and a minimum score of 3 for method statements 6.4.1 Service Delivery and 6.4.4 Safeguarding.
- 3.20 In Lot 1: Bidders B and E did not meet the quality threshold and these bids 'failed' the tender process at this stage. Bidder A subsequently failed the quality threshold following moderation of the site visit to Bidder A.
- 3.21 In Lot 2: Bidders A and B did not meet the quality threshold and these bids 'failed' the tender process at this stage.
- 3.22 Each provider's quality and price scores are shown in the tables below.

LOT 1 – Croydon North

Bidder	Total Qualitative %	Total price %	Total weighted %
A	30.8 %		
B	32.8 %		
C	39.4 %	35.37%	74.77%
D	45.4 %	31.55%	76.95%
E	28.2 %		
F	34.8 %	31.37%	66.17%

LOT 2 – Croydon Central and South

Bidder	Total Qualitative %	Total price %	Total weighted %
A	21.2%		
B	32.8%		
C	45.4%	37.27%	82.67%
D	34.8%	37.23%	72.03%

Accommodation Requirements

- 3.23 A council building which is suitable for the delivery of Lot 2 supervised contact services has been identified in the Central/South Croydon area. All tenderers were notified via the Council's E-Tendering portal that they should contact the Council's asset Management Team as part of their premises search. If requested by the successful Lot 2 bidder, this building can be made available, which mitigates the risk of the bidder being unable to secure a suitable building.
- 3.24 Successful bidders will be required to submit fortnightly mobilisation plans which detail progress in the following areas in relation to proposed premises;
- Availability and suitability of premises.
 - Data protection and information.
 - Safeguarding.
 - Workforce and recruitment.
 - Service delivery.
- 3.25 As part of the tender response, the preferred bidder submitted a mobilisation plan to commence services on November 1 2019. If the preferred bidder is unable to evidence that they can deliver the mobilisation plan in accordance with the tender response a risk assessment will be carried out. The council will seek reassurances that the service will commence in line with the tender response on November 1 2019. If the preferred bidder is unable to provide these reassurances, the council reserves the right to terminate the contract with the preferred bidder.

Service Model

- 3.26 The 2 lots will be accessed flexibly by the service. Families will not be allocated to a site based on a fixed "locality," but on a case by case basis taking into account accessibility and travel time. Sites will be accessible and suitable for all families in line with the specification.
- 3.27 Children's Social Care business support will monitor monthly the usage of each centre to ensure that both lots are being accessed throughout the year. This will allow for the mitigation of the risk of one contractual allocation being used

For Publication

at a significantly faster rate than the other – and/or one lot remaining unused at the end of the year.

- 3.28 Guaranteed volume of hours will provide greater stability for the providers and Children's Social Care. Providers will be paid monthly for one twelfth of the guaranteed number of hours. Any additional hours will be paid quarterly. Hours provided will be supported and monitored by the Contract Management Team in Children's Social Care.

4. CONSULTATION

- 4.1 Feedback from service users was provided by Children's Social Care and incorporated into the tender specification. This is reflected in the decision to secure separate lots for North and South/Central Croydon.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The procurement approach is designed to secure the required number of supervised contact hours to meet the Council's statutory duties, whilst achieving good value for money for these services. The contract for each lot includes a minimum guarantee of 5,000 hours of supervised contact and up to a further 4,000 hours can be provided, if required. All tenderers submitted prices for the minimum guarantee of 5,000 hours and the additional hours for centre-based and community-based contact.
- 5.2 The financial outturn in 2018-19 was £657,233, plus a further £62,979 for transport costs, against an agreed budget of £350,000. The budget overspend of £370,212 reflects increased demand for statutory supervised contact service.

Projected Expenditure 2019-20 to 2021-22

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/2222	2022/23
Revenue Budget available	357,000	357,000	357,000	357,000
Expenditure	420,000 (Apr-Oct)			
Effect of decision from report				
Expenditure	296,250 (Nov-Mar)	711,000	711,000	711,000
Overspend budget	<u>359,250</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>

- 5.3 **Risks:** Demand for supervised contact has increased significantly in recent years due to a combination of population growth and an increase in children with child protection plans and children subject to care proceedings.
- There were 4592 open referrals to children's social care at 31st March 2019, an increase of 13% since March 2017.
 - In 2018-19, there was a 23% increase in the number of children with Child Protection Plans from 568 to 701.
- Service demand is unlikely to reduce significantly and spend will continue to exceed the available budget.
- 5.4 We anticipate demand remaining close to current levels over the next three years but as the statutory service is demand-led there remains a risk that additional hours of supervised contact will be required at additional cost to the council.
- 5.5 In recognition of social care budget pressures, growth has been applied to children's social care in the region of £12m and the potential overspend will be contained within the overall Children's Social Care budget.
- 5.6 **Future savings/efficiencies:** Through effective management of the contract, we expect to see the following efficiencies;
- A reduction in the number of "no-shows," which are still chargeable to the Council
 - Fewer cancellations by the Council within the appropriate amount of notice. Notice periods will be built into the contract to allow as much flexibility as possible without financial penalty.
 - Appropriate control and decision-making regarding provision of transport – transport. Transport should only be allocated at the request of, or with approval by, Children's Social Care.
 - Multi-lot and additional hour discounts have been included in the tender price matrix.

Approved by: Maiyana Henry-Hercules, Finance Manager, on behalf of Kate Bingham: Head of Finance, Finance Investment and Risk

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governance comments that the legal considerations relevant to the recommendation are contained in the body of this report.

Approved by: Sean Murphy, Director of Law and Governance

7. HUMAN RESOURCES IMPACT

- 7.1 Following the change of provider it is anticipated that there will be TUPE implications for some supervised contact staff at St Mary's Family Centre.

For Publication

TUPE information was provided by St Mary's Family Centre in the tender documentation.

- 7.2 Other providers that are currently on the framework for supervised contact in Croydon have indicated that there are no TUPE implications for their staff.
- 7.3 The mobilisation period allows for sufficient time for the providers to address all TUPE implications arising from this report. As this is becomes a change of service provision for which the Council is the client; on that basis, the role of the Council would usually extend no further than facilitating the process.

Approved by: Nadine Maloney, Head of HR; Children, Education and Families.

8. EQUALITIES IMPACT

- 8.1 An Equality Analysis was undertaken to ascertain the potential impact the proposed change would have on protected groups. The service will have a positive impact on protected groups as it will enable children of all ages to develop and sustain positive relationships with parents and other family members. Accessible premises will enable family members to access contact and fully engage with their children.
- 8.2 The specification is seeking providers to provide good quality and accessible supervised contact services. They will also be required to provide accessible premises
- 8.3 Services will be monitored to measure performance and test feedback from service users. Site visits will be carried out to ensure that tenderers have good quality accessible premises for the delivery of the service. If required, community based supervised contact will be carried out to ensure that supervised contact is accessible to all families.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 There are no direct environmental impacts.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder reduction implications associated with the proposed recommendations and subsequent services.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The tenders have been awarded to the tenderers which secured the highest score following the 4-Stage evaluation process.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Do nothing

The Council has a statutory duty to provide supervised contact when required under the Children Act 1989 and therefore this is not an option.

12.2 Procure a New Framework Agreement

A framework agreement does not give providers the opportunity to bid for an agreed volume of work. There is less incentive for providers to offer the economies of scale for the council. As income through the framework is not guaranteed, it is less likely that providers will make long-term investment in premises, staff, or service provision. Therefore this option was rejected.

12.3 In-Source the Service

To in-source the service the council would need to establish a number of new service delivery teams based in localities. A long transition period would be required to establish this service within Children's Social Care and new services are required from November 1 2019. Therefore this option was rejected.

CONTACT OFFICER: Paul Williamson, Category Manager

APPENDICES TO THIS REPORT: None

BACKGROUND PAPERS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

REPORT TO:	Cabinet 8 July 2019
SUBJECT:	Professional Services for Parklife Croydon Project
LEAD OFFICER:	Kirsteen Roe, Director of District Centres and Regeneration Shifa Mustafa, Executive Director Place
CABINET MEMBER:	Cllr Oliver Lewis- Cabinet Member for Culture, Leisure and Sport
WARDS:	Waddon and Shirley North

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

Parklife Croydon is a manifesto commitment and Corporate Plan objective for delivery under this administration.

Croydon's Corporate Plan 2018-20 sets out a vision that Croydon's parks and green spaces should be "safe, pleasant, thriving places where everyone can exercise and have fun." However with significant financial pressures and need for continuous reductions in local authority expenditure, the current model of parks service delivery cannot be sustained in the long-term without significant changes to the way it operates. The current portfolio of park football facilities are poor quality and costing circa £250K per year to maintain, with falling usage year-on-year.

Parklife Croydon is an innovative partnership approach to investing in facilities that can be sustainable, and provide a high quality parks leisure offer that appeals to multiple audiences.

FINANCIAL IMPACT

The recommendation is to enter into a contract for Professional Services for the Parklife Project in the London Borough of Croydon. The Council wishes to call off the service requirements from the Football Foundation Framework Managing Consultant for Changing Room Facilities - OJEU Contract Notice 2016/S 170-305926 (published on 30/08/2016) lot 2 and enter into a direct award with QMP LTD.

The period of the contract is from 1 January 2017 to 31 December 2019. The anticipated contract value for QMP is £600K, as part of an overall projected project outturn of £738K. These costs cover up to Planning submission (RIBA Stage 3+) and will be met from the following sources:-

Income source	Income amount
s106 - IFG (189)	£52,252
s106 - IFG (212)	£23,387
Sport England	£67,500
Football Foundation – Ashburton Playing Fields	£78,767
Football Foundation - Purley Way Playing Fields	£84,779
Total External Funding	£306,685
Regen Feasibility budget 2018-19	£281,666

Regen Feasibility budget 2019-20	£150,000
Total project income	£738,351

An allocation of £12.1M for delivery of the scheme from RIBA Stage 4 has been made on the Capital Programme, which is based on the current estimated cost of construction of the two schemes. This is subject to final approval by Growth Board and Cabinet, once final construction and maintenance costs have been estimated for final designs. This allocation will cover professional and legal fees, Council officer costs, construction costs, and a commuted sum to cover maintenance costs for three years. At least 60%, but potentially up to 70%, of these costs will be requested from the Football Foundation in a grant application to their Board following submission of the planning applications for both sites (estimated autumn 2019).

If the Council is successful in their full grant application for the construction of the sites as described above it will be also be able to reclaim additional fees up to stage 3+, up to 60% of total spend. Currently this equates to an additional claim of £82K though at this stage cannot be accounted for as subject to full approval.

FORWARD PLAN KEY DECISION REFERENCE NO: N/A

1. RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet Member for Culture, Leisure and Sport the power to make the decisions set out in the recommendations below:

- 1.1 The Cabinet Member for Culture, Leisure and Sport in consultation with the Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of a contract to QMP for the delivery of Professional Services for the Parklife Project for a maximum contract value of £600,000
- 1.2 To note that the Contract term is from 1 January 2017 to 31 December 2019.
- 1.3 To note the Director of Commissioning and Procurement has approved waivers under regulation 18 in respect of a single supplier direct award, the requirement under Regulation 21 for not including the Premier Supply Programme, and the requirement under Regulation 17 for a procurement strategy.

2. EXECUTIVE SUMMARY

- 2.1 The Parklife Croydon project is a Football Association (FA)-led initiative and a commitment in the Croydon Corporate Plan, to tackle long-term under-investment in Croydon's park-based Football facilities.
- 2.2 The overall aim of the project is to achieve two new state-of-the-art borough football hub sites at Purley Way and Ashburton Playing Fields, that would each provide two x floodlit 3G (Football-biased) artificial grass pitches and a pavilion facility comprising of changing facilities, a café, a training room, community

For Publication

room and car parking. A community gym is also currently proposed for the Ashburton Playing Fields hub with earlier demand work showing a need for a fitness offer in that part of the borough.

- 2.3 In support of the borough's Sport and Physical Activity Facilities Strategy, the hubs would transform a borough offer that has been rated by external consultants as poor quality and is costing more than £250K per year to maintain to a very basic standard. The new facilities are expected to achieve in excess of 150,000 visits per year each, and will make a major contribution to physical activity and health outcomes, as well as wider social agendas.
- 2.4 The focus will be on young people, encouraging sporting participation and healthy lifestyles from a young age in facilities in which all borough residents will feel comfortable (in partnership with the Palace for Life Foundation and affiliated voluntary clubs). A major aim is to address the very poor level of female affiliated football, which currently stands at just 3%. The hub sites have an objective to achieve 25% female participation and 10% use by disabled people.
- 2.5 The FA, Sport England and the Premier League will provide a minimum of 60% funding for the professional fees up to RIBA stage 3 to allow a full grant to be submitted for the construction. The scheme is being delivered by the Football Foundation.
- 2.6 Currently, it is proposed that the facilities will be managed by a national football trust, a new charity to be established by the Football Foundation, under a 30 year lease. Under this arrangement, the trust would procure an operator to manage the facilities. Operating surplus will be reinvested in Croydon Football facilities, starting with grass pitches at the hub sites. Officers are undertaking an independent legal and financial review of the proposed management arrangements to ensure best value and community benefits for Croydon residents.
- 2.7 The aim is to deliver the new facilities as soon as possible from September 2020, to follow the European Football Championships (as the final stages is being held in London).
- 2.8 To enable development of this key manifesto and Corporate Plan objective updates have been provided to Cabinet which detailed that to enable to explore viability of the projects then the services detailed in this report would be required to be procured.
- 2.9 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
25/06/2019	CCB1496/19-20

3. DETAIL

- 3.1 The Croydon Parklife project has been in development since the Council's application to Sport England was accepted in early 2017.
- 3.2 The Council is the lead applicant for the project and a Planning Performance Agreement (PPA) was entered into with Local Planning Authority on 16 April 2018. The project has undertaken three sessions with Croydon's Place Review Panel and the latest proposals have been commended by the panel. The Council aims to submit planning applications during summer 2019.
- 3.3 The project has to date received three external grant awards from the national funding partners, to support their 60% contribution. These are an initial award of £67,500 from Sport England, and then an award of £78,767 from the Football Foundation for Ashburton Playing Fields and an award of £84,779 for Purley Way Playing Fields.

Each award has required the Council to use the Football Foundation's framework consultants for Changing Rooms and Artificial Grass Pitches.

The funding has been time limited with the initial Sport England award requiring spend within the 17-18 financial year (effectively within 6 months of award) and the FF awards requiring spend within the 18-19 financial year. The delay in entering into a Contract has been due to the change of scope of the works as detailed in 3.8 whilst full details of the services required was finalised.

- 3.4 The significant work conducted to date includes:
- Strategic modelling of football supply and demand data, following Croydon's Playing Pitch Strategy analysis. This concluded that two hub sites of two artificial grass pitches are needed to meet current demand and a 'sequential test' exercise identified Purley Way Playing Fields and Ashburton Playing Fields;
 - All required stage 1 and 2 feasibility work appropriate to each site, including topographical and ecological surveys, ground investigation work, and noise and transport assessments.
 - Formal engagement with football partners on the proposals, including 21 clubs and three leagues, who reported a negative experience of current pitches and facilities;
 - Development of a timetable of use and full business plan for both sites;
- 3.5 Feasibility and design development work was undertaken by QMP sub-contractor Erect Architecture to deliver unique high quality building and landscape designs responding to the local contexts and seek to preserve the "openness" of both sites. The pavilion buildings are aiming to achieve BREEAM Excellent status.

For Publication

- 3.6 Considerable engagement with residents and stakeholders has been undertaken (see Section 4).
- 3.7 To allow development of the scheme, funding was secured to establish the feasibility of the scheme and deliver RIBA Stage 3+ designs are as follows:

Income source	Income amount
IFG (189)	£52,252
IFG (212)	£23,387
Sport England	£67,500
FF - Ashburton	£78,767
FF - Purley Way	£84,779
Total External Funding	£306,685
Regen Feasibility budget 2018-19	£281,666
Regen Feasibility budget 2019-20	£150,000
Total project income	£738,351

- 3.8 With the move from a 'modular' building to a 'traditional' building design, as guided by planning feedback (Metropolitan Open Land) including the Place Review Panel, additional design fees have been incurred that means that the council has made a significant financial commitment, over and above the approved funding from the Football Foundation to planning stage (RIBA Stage 3+). Total projected expenditure against this contract to the end of this stage is £738K. Of this, £600K is the projected expenditure with QMP under this contract. As the contract is for framework management, this includes fees for a number of subcontractors covering architectural services, feasibility, design and engineering provided by QMP.
- 3.9 With external investment from the national funding partners of £231K secured, along with £75K Section 106 investment, the council's core contribution up to stage 3+ is therefore expected to be circa £432K, taken from LBC's Regeneration Feasibility Budget. A preliminary agreement has been reached that the Football Foundation will 100% fund all further external stage 2/3 work required in order to achieve a planning submission, which is currently estimated at £110K. Stage 4 work will be subject to a 40:60 (LBC:FF) split and then a retrospective request for the balance of fees owing will be submitted with our grant application to the Football Foundation for construction costs, with submission possible when planning permission is achieved and construction costs are established. This will ensure that Croydon will fund no more than 40% of the overall cost of feasibility and design development.
- 3.10 It is proposed that stage 4 onwards will be managed through the Council's Capital Delivery Team, with a budget allocated of £12.1 million to cover stages 4-7, including further professional fees. This budget will need to be refined following a tendering exercise to be undertaken as part of stage 4 development, and is subject to Growth Board and Cabinet approval, as well as achieving

planning permission. In support of a Cabinet Report a full commissioning and procurement strategy will be formulated.

- 3.11 The detail of this report shows that the Council has been provided services by QMP without complying with the Council's Tenders and Contract Regulations. This has been reviewed with the relevant departments to ensure that appropriate governance is in place to stop this happening again. This report is to formalise the professional services that are required for the Parklife project

Procurement Approach

- 3.12 The procurement route required for these services is to enter into direct award by calling off the Framework let by the Football Foundation as per the OJEU Contract Award REF 2016/S 170-305926. The framework award split the country into two. Authorities who wanted to use the framework in the South of England were to use QMP LTD and for the north of England another supplier
- 3.13 The funding received from the Football Foundation and Sport England has a clause within the funding terms and conditions that the awarded body is required to use the Football Foundation framework.
- 3.14 As part of the set up of the Framework, QMP LTD were required to submit their prices for a number of model projects, representing the scope of works to be delivered under the Framework as part of the tender selection process to gain entry onto the Framework. These prices have been included within each Framework Agreement with each Framework Operator.

Price and contract terms return

- 3.15 QMP submitted a price return for each of the two schemes at Ashburton and Purley Way Playing Fields. The price return was for RIBA stages 0 to 7. However this award report is for stages 0 to 3.
- 3.16 The submission was in line with the requirements of the framework and was based as a % per stage against a total contract value per scheme. This was for a scheme for a modular build and a traditional build.
- 3.17 As detailed in section 3.8 of this report, as the location of each site is on Metropolitan Open Land and necessitates a higher design quality, the return is based on the traditional build element of the submission.

Evaluation of return

- 3.18 To receive the funding detailed in section 3.12 of the report the condition is to use the Football Foundation Framework for professional services. As this was a direct award to QMP the evaluation consisted of ensuring that the % rates quoted for each stage met the framework agreed rates.
- 3.19 This was reviewed against the framework and is in line with the agreed rates to ensure that the price was the most economically advantageous route for the

For Publication

Council, the rates provided from QMP were benchmarked against industry averages for the type of service provided. This showed that the rates were below the industry average and were deemed very competitive.

- 3.20 Any further instructions for additional surveys or work outside the relevant RIBA stages will be negotiated with QMP.
- 3.21 The recommendation is to award to QMP as being the most economically advantageous route as 60% of the costs are covered by external funding. If the Council decided on a different procurement route then it would not be able to recover the 60% of the costs which was deemed as not value for money. This is a condition of the funding.

4. CONSULTATION

- 4.1 The Council has undertaken significant engagement with residents and stakeholders, including:
 - a. Two drop-in sessions attracting approximately 120 residents:
 - Ashburton, Thursday 4 October 2018, St George's Church Hall;
 - Purley Way, Friday 12th October 2018 at Waddon Youth and Community Centre.
 - b. Door knocking and leaflet drops to residential properties close to both sites, conducted in August and September 2018;
 - c. Presentations to Monks Orchard Residents' Association (Ashburton Playing Fields) and Waddon Community Forum (Purley Way Playing Fields);
 - d. A full engagement exercise with football clubs and leagues, including drop-in sessions and an online survey;
 - e. Development sessions with young people;
 - f. Group and direct responses to residents who have requested further feedback, with a mailing list now in excess of 150;
 - g. Briefings for ward councilors throughout the development process.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Revenue Budget available				
Expenditure				
Income				
Effect of decision from report				
Expenditure				
Income				
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Budget available				
Expenditure		431		
Effect of decision from report		293		
Remaining budget	<u></u>	<u>138</u>	<u></u>	<u></u>

2 The effect of the decision

The effect of the decision is that the cost to the Council for procuring QMP will be £293K as the rest of the contract spend will be from external funding that has been received. The £293K will be funded by approved Regeneration budgets for the years 18/19 and 19/20

Risks

The risk identified is that the Council do not meet the funding criteria to receive the funds. This has been mitigated by the project manager ensuring that any requirements are met by the Council

Options

The other options were for the Council to separately procure professional services outside the Football Foundation framework. These were not pursued as would have meant that the Council would have not secured the external funding which was a condition of the grant.

The recommendation is to award the contract to QMP LTD.

3 Future savings/efficiencies

There are no further savings/efficiencies identified from this report.

- 4 Approved by Flora Osiyemi, Head of Finance-Place

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governance comments that there are no additional legal issues directly arising in respect of this report
- 6.2 Approved by: Sean Murphy Director of Law and Governance.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no human resources impact from this report. This report is for the provision of professional services for the Parklife and resources to manage this contract will be within the existing Regeneration staffing structure.
- 7.2 Approved by Sue Moorman, Director of Human Resources.

8. EQUALITIES IMPACT

- 8.1 The focus for the facilities will be on young people, encouraging sporting participation and healthy lifestyles from a young age in facilities in which all borough residents will feel comfortable (in partnership with the Palace for Life Foundation and affiliated voluntary clubs). A major aim is to address the very poor level of female affiliated football, which currently stands at just 3%. The hub sites have an objective to achieve 25% female participation and 10% use by disabled people.
- 8.2 A Community Use Agreement has been drawn up requiring that the Council and Leisure Operator appointed will pursue the following aims:
- Providing opportunities for the local community and sports organisations to participate in sport and physical activity for health improvement and development of their skills, particularly amongst low participant groups and participants from deprived areas;
 - Operating in line with the national agenda for sport taking into account nationally adopted strategies;
 - Generating positive attitudes in sport and physical activity by young people and reducing the drop out rate in sports participation with age;
 - Increasing the number of people of all ages and abilities participating in sport and physical activity including people with disabilities;

- Increasing the number of girls and women participating in sport and physical activity;
- Using the facilities to encourage the range, quality and number of school sports club links and to stimulate competition that is inclusive of young people and adults;
- To provide affordable access for protected community users to the facilities and to be self-financing in terms of use;
- To provide enhanced recreational facilities for the local community in the form of play provision, cycle and pedestrian infrastructure, and environmental enhancements;
- To update the Site Delivery Plan annually to ensure the aims outlined above are met.

8.3 An Equalities Impact Assessment has been undertaken and this has been approved by Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 The Local Planning Authority have advised that an environmental impact assessment is not required for the scheme. The pavilion buildings are being designed to achieve BREEAM Excellent Accreditation.

9.2 In preparation for the planning application the following survey and assessment work has been undertaken:

- Topographical surveys
- Geo-environmental constraints surveys
- Built heritage and archaeological phase 1 assessments
- UXO threat phase 1 assessments
- Flood risk and drainage assessments
- Noise and vibration assessments
- Noise and light assessments – for artificial grass pitches
- Air quality surveys
- Transport surveys
- Parking 'BEAT' survey
- Ecology assessments inc. one bat survey
- Arboricultural surveys
- Ground investigation surveys
- BREEAM pre- assessments
- Condition and demolition surveys of existing pavilions
- Utilities surveys

For Publication

- Fitness 'Latent Demand' assessments

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 The Council has received advice on applying Secured by Design principles from the Designing Out Crime police liaison officer. This includes recommendations for mounding heights and tree planting, entrances to the playing fields to prevent incursions, cycle parking, external lighting specification and CCTV advice, and specifications for the building materials to make it secure.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The recommendation is to enter into a contract with QMP LTD.

12. OPTIONS CONSIDERED AND REJECTED

12.1 The other option that was considered was to separately procure the professional services that are required. This was rejected as would have meant that the Council would not have secured the funding required

CONTACT OFFICER:

Name	Xander Beck
Post title	Regeneration Manager
Telephone number	61612

APPENDICES TO THIS REPORT: None

BACKGROUND PAPERS: None

This page is intentionally left blank

REPORT TO:	Cabinet 8 July 2019
SUBJECT:	Asset Management IT System Contract Extension (Apex)
LEAD OFFICER:	Julia Pitt Director of Gateway Services Hazel Simmons, Executive Director Gateway, Strategy & Engagement
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON The recommendations within this report contribute to the 2018 – 2022 Corporate Plan Operating Model themes below: <ul style="list-style-type: none"> • Good, decent homes affordable to all. • Everyone feels safer in their street neighbourhood and home. • People live long, healthy, happy and independent lives. • A cleaner and more sustainable environment. 	
FINANCIAL IMPACT The proposed Asset Management IT (Apex) system contract extension will be for one year until 30 June 2021, for a sum of £48,485. The implementation to extend the current contract, will be funded from the existing revenue budget held within Place and Gateway Departments.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	
The Leader of the Council has delegated to the Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below. <p>1. RECOMMENDATION</p> <p>1.1 The Cabinet Member for Finance & Resources, in consultation with the Leader of the Council, is recommended by the Contracts and Commissioning Board to, approve the variation to the contract with Rowanwood Professional Services in accordance with Regulation 29 of the Council's Tenders and Contracts Regulations, to enable an extension of the contract for the Apex Asset Management IT System for an additional contract term of one year until 30 June 2021 at a cost of £48,485. The aggregate value of the contract will now be £517,105.</p>	

2. EXECUTIVE SUMMARY

- 2.1 A new Housing Asset Management system is being procured, with a target date to become operational by 1st January 2021. In the meantime, the existing legacy system, Apex from Rowanwood Professional Services, will continue to be required.
- 2.2 A variation to extend the current Housing Asset Management system (Apex) contract is required by an additional one year to ensure that the system is supported until the new system is procured and implemented.
- 2.3 The existing contract will due to expire on 29 June 2020.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
25/06/2019	CCB1497/19-20

3. DETAIL

Background

- 3.1 The alignment of service system solution contracts across the People and Place departments and the procurement of new system solutions for the service areas as detailed will provide the Council with opportunities that will help improve the way it operates including greater integration of systems; efficiencies; enable data to be used in a way that will help us align repairs and planned maintenance programmes, consider the needs of the whole family – working towards a Single View of the customer/family and improve data analytics to inform future service strategies and solutions.
- 3.2 A procurement exercise is underway for a new Asset Management system and time is therefore needed to conduct the above activities and allow for the development of the specification, procurement and implementation of system. A further contract extension of the existing legacy system is needed to ensure a smooth transition.
- 3.3 Software for each current solution was purchased with perpetual licences giving the Council ongoing rights to use the software. Support and maintenance was also procured as part of the software purchase. It is the support and maintenance which is subject to the extension.
- 3.4 The original contract value was £403,000. The contract was extended in 2018 at a value of £65,619 for a period of two years under CCB reference 1329/17-18 to a total contract value of £468,619.
- 3.5 The proposed new extension will increase the contract value by a further £48,485 to a total contract value of £517,105. The cumulative value of the extensions results in the original value being increased by 28%.

- 3.6 The Public Contracts Regulations 2015 (PCR), Regulation 72, restricts the ability to make changes to contracts without a new procurement exercise. Paragraph 1(b) states that:

for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract;

- 3.7 The increase in contract value for this contract has not exceeded the PCR 50% threshold as it represents a 28% increase. For the reasons set out at paragraphs 11 and 12 of this report a change in contractor cannot be made for economic and technical reasons; and would cause significant inconvenience and duplication of costs for the Council. A notice in accordance with PCR Regulation 72(3) to (4) and Regulation 51 will be required. There is minimal risk of challenge to the notice given the justifications set out in this report and since it is a short term measure and we are re-procuring a new system.
- 3.8 Strategic contract management will be led by the relevant Directors with oversight and guidance from the Commissioning and Procurement and the Category Manager.
- 3.9 Account performance reviews will be held with the supplier and a contract board established with membership from both departments, Croydon Digital Service and Procurement. The Supplier has performed well throughout the term of the contract and regularly meets service levels and key performance indicators.

4. CONSULTATION

- 4.1 A survey of system users and other stakeholder's views on existing services and future expectations has been carried out and stakeholders have been fully involved in all aspects of procurement and will continue as part of on-going performance management.
- 4.2 The following have been consulted:
- Head of Service Development, Housing Needs
 - Manager, Asset Management

- Head of Gateway Service Development
- ICT Systems Procurement Programme Board
- Performance management
- Finance Manager - Resources
- Business Systems
- Housing Systems Officers Group
- Croydon Digital Service

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1. This contract extension will be funded from existing revenue budget within the Housing Revenue Account (across Place and Gateway) and also the Selective Licensing budget within Place. The total estimated cost per annum is £48,485.
- 5.2 Medium Term Financial Strategy – 3 year forecast

Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast	
	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Revenue Budget available			
Expenditure	49	49	49
Income			
Effect of decision from report			
Expenditure	49		
Income			
Remaining budget	<u>0</u>	<u>49</u>	<u>49</u>
Capital Budget available			
Expenditure			
Effect of decision from report			
Expenditure	0	0	0
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>

The effect of the decision

The implementation of this strategy will commit the Council to a 1 year contract extension at an estimated cost of £48,485.

Risks

No.	Risk	Mitigation
1	Supplier looks to increase charges for extension.	Negotiated with Supplier to minimise impact.
2	There is a challenge from another supplier.	Ensure compliant procurement and legal processes followed. This is a short term measure to ensure sufficient time for procurement and implementation
3	The Implementation is not delivered in time.	Implementation milestones will be part of the contract (post procurement and contract clarification period) and therefore will work as contractual requirements
4	Lack of funding to progress activities needed to achieve key dates	Outline resource profile developed. Business case being developed to secure funding to deliver implementation.

Options

No other options were considered as the variation and extension is required to ensure there is sufficient time to finalise the procurement and implement any new system.

Future savings/efficiencies

The supplier has committed to a price for the term which avoids any indexation charges.

Approved by Flora Osiyemi, Head of Finance Place on behalf of Director of Finance

6. LEGAL CONSIDERATIONS

- 6.1 The Solicitor to the Council comments that the legal considerations are as set out in this report.
- 6.2 Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct Human Resources implications arising from this report for Council employees, as it involves the extension to an existing contract. It is likely that there would be workforce implications for the implementation of the new Housing Asset Management system; however, this is a separate matter and would be managed in accordance with the Council normal policies, procedures and practices.

Approved by: Debbie Calliste, Head of HR for Health, Wellbeing and Adults on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 An initial Equality Analysis has been completed and a full analysis will be required as part of the commissioning process as per request from the last contract approval. The services will continue to support some of the most vulnerable residents in Croydon and as such will need to be assessed as fully meeting their needs in terms of customer care and quality of delivery. No discernible impacts identified as a result of this strategy - continuation of existing services.

9. ENVIRONMENTAL IMPACT

- 9.1 No discernible impact identified as a result of this strategy - continuation of existing services.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no direct crime and disorder impacts identified as a result of the proposed contract award.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The variation for extension is required in order to allow for the re-procurement and implementation of a new Asset Management IT system. This is to ensure the continuation of existing support services which is essential to the Housing Asset Management functions of the Council.
- 11.2 It is necessary therefore to extend the existing contract to ensure that there is sufficient time to implement any potential new system that is procured.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 No other feasible options have been identified. To stop using the system at the end of the contract would adversely affect housing asset management for the Council.

CONTACT OFFICER: Helen Gregson Holmes, Programme Manager, Ext 63964.

APPENDICES TO THIS REPORT: None

For Publication

BACKGROUND DOCUMENTS: None

This page is intentionally left blank

REPORT TO:	Cabinet 8th July
SUBJECT:	SEND Post 19 Further Education programme
LEAD OFFICER:	Robert Henderson, Executive Director of Children Families and Education Shelley Davies, Director of Education
CABINET MEMBER:	Cllr Alisa Fleming, Cabinet Member for Children, Young People & Learning Cllr Simon Hall, Cabinet member for Finance & Resources
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</p> <p>The Council's Corporate Plan 2018-2022 includes the following priorities which are relevant to this contract-</p> <ol style="list-style-type: none"> <i>1. Our children and young people thrive and reach their full potential</i> <i>2. Everyone has the opportunity to work and build their career</i> <p>Under the Children and Families Act 2014, Section 41 places specific duties on approved Further education colleges, sixth form colleges, 16-19 academies and independent specialist colleges. These duties include:</p> <ul style="list-style-type: none"> • The duty to have regard to the 0-25 SEND Code of Practice • The duty to co-operate with the local authority on arrangements for children and young people with SEND <p>The education provider is also required to have due regard to Part 3 of the same Act, as covered by the SEN Code of Practice guidance.</p> <p>This direct contract award will contribute to the ambitions contained in the <i>Croydon Promise</i> of being 'The best place to learn in London', and deliver against the priority in the SEND Strategy 2019-22 with regards to improved post 16 learning opportunities for young people with SEND.</p>	

FINANCIAL IMPACT:

The Direct Award with Croydon College is for a period from 1st September 2019 to the 31st August 2022 (inclusive of the extension period), with a total contract value of £1,916,568 for up to 24 commissioned further education places, funded from the Dedicated School Grant (DSG) High Needs Block

Any budget savings achieved from the establishment of local FE provision will be required to deliver against the targets contained in the SEND DSG Deficit Recovery Plan.

FORWARD PLAN KEY DECISION REFERENCE NO: 2419CYPL

This is a Key Decision as defined in the Council's Constitution.

The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet Member for Children Young People and Learning, the power to make the decisions set out in the recommendations below:

RECOMMENDATIONS

1. The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board, to approve the award of contract for Post 19 SEND Further Education (FE) places for young people with an Education Health & Care (EHC) plan to Croydon College for a contract term of two (2) academic years, with the option to extend for a further one (1) academic year, at a maximum contract value of £1,916,568.
2. To note that the Director of Commissioning and Procurement has approved to waive the requirement under Regulation 17 for a procurement strategy, and to allow the direct award of contract in accordance with Regulation 18 of the Council's Tenders and Contracts Regulations.

2 EXECUTIVE SUMMARY

- 2.1. The direct contract award to Croydon College for a Post 19 SEND Further Education (FE) programme, supports the development of a local provision with a key strategic local partner, which will enable young people with complex and multiple disabilities to access college places which support transition to adulthood in or near their local community.
- 2.2. The initial Phase 1 contract term proposed, is for a period of two academic years, with the option to extend for a further year, to provide adequate time to evaluate the learning outcomes for the initial intake of students.

- 2.3. The Council has committed a capital investment to fund the building works required to create a fit for purpose facility that can accommodate both the learning and physical support needs of the Learners. The location of the permanent provision is subject to a feasibility study that is being commissioned separately.
- 2.4. The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
25/06/2019	CCB1499/19-20

3. DETAIL

- 3.1. Croydon's SEND strategy states the Council's aim that the vast majority of children and young people with SEND, should be supported to attend a local mainstream education setting. However, it is recognised that for a small number of students because of the complexity of their disability, they will continue to need a specialist provision or a specially adapted environment within a mainstream provision. This is classified as special educational provision under Section 21 of the Children and Families Act 2014.
- 3.2. This contract award is to support the realisation of the Council's shared ambition with the College to deliver a SEND Centre of Learning Excellence in Croydon, for the delivery of suitable further education opportunities for young learners with severe, complex and/or multiple learning difficulties and disabilities.
- 3.3. Preliminary discussions held with Croydon College indicate a commitment and aligned vision to ensuring Croydon has high quality inclusive SEND college provision, that will enable our young people with the most complex support needs, to remain in the Borough and benefit from high quality learning opportunities.
- 3.4. During this initial contract period, the Council will implement a phased development to the programme through gradually growing the intake of SEND Learners, whilst supporting the development of the teaching and learning curriculum with Croydon College, and working in partnership to design and develop the required learning environment. The Council has therefore committed to provide one-off development funding of £90K for the 2019-20 academic year, to enable the College to engage appropriate specialist advice on the development of a relevant and aspirational education pathway for the young people with complex learning disabilities
- 3.5. The intention is that the Learning programme will be delivered in premises, specially adapted to meet the needs of SEND Young People accessing college. To support this aim, the Council has also committed capital investment of £3.3 million, to establish suitable local facilities within a mainstream campus. This new facility will remain the property of the Council with a lease arrangement in place to retain the use of the space for this purpose.

- 3.6. Phase 1 of the development from September 2019, will see the delivery of a two (2) year programme of learning for up to twenty-four(24) young people aged 19-25, based in temporary facilities at the Coulsdon College campus.
- 3.7. Students accepted on the Post 19 learning programme pathway will attend the college for two (2) consecutive days a week. For the remainder of the week, the young people will be supported by community providers such as the Croydon Disability Youth service (DYS) to participate in skill development activities, which will provide the foundation for the transition to adulthood on completion of the course.
- 3.8. The actual numbers of students that will be appropriate for the College programme will vary, and alternative learning pathways will also need to be identified for the more able students from age 16 +.
- 3.9. The level of complexity of support needs for the 2020 aged 19+ student intake has been projected as follows:

Autistic Spectrum Disorder	43.27%
Hearing Impairment	0.96%
Moderate LD	9.62%
Multi-Sensory Impairment	1.92%
Physical Disability	14.43%
Profound & Multiple LD	7.69%
Severe Learning Disability	21.15%
Speech or Communication	0.96%

- 3.10. All young people attending the Post 19 programme will have a complex learning disability which falls within the category of severe. It is anticipated that the majority may be eligible for continued support from social care into adulthood.
- 3.11. Phase 2 of the programme will see the development of a local SEND college facility offering a two (2) year full time programme for 16-18 year olds which is envisaged to be in place from 2021. The scope and demand for this element is still to be finalised, and will therefore be subject to a separate CCB report and contractual agreement.

4. CONSULTATION

- 4.1. As part of the consultation with stakeholders in the production of the SEND Strategy 2019-2022, one of the key priorities identified for development over the next 3 years was *'Improved post 16 opportunities and outcomes with a greater number of young people with SEND gaining employment and having choices about how they achieve independence to stay in or near their family and local community.'*
- 4.2. The College will be required to obtain feedback from both students and parents

to inform the development of the course curriculum over the next 3 years, and enable the students to influence their annual learning plans based on their preferences and aspirations.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1. Medium Term Financial Strategy (MTFS) revenue & capital impacts

It is estimated that currently over 40% of the High Needs spend is on students that are aged 16-25, and that a saving of £630K could be made over a period of five (5) years through the establishment of a local Post 19 education & learning pathway.

- 5.2. The breakdown of the overall cost of the Pathways to Adulthood Post 19 programme (of which the Croydon college contract is a component) to the Council per annum is estimated as follows:

Baseline ESFA funding per student	£10,000
Top-up funding per student	£15,369
Total annual contract cost for 24 student places	£608,856
Development funding to Croydon College in Year 1	£90,000
DYS Social Skills element	£280,000

- 5.3. Where additional costs are anticipated (based on an assessment of individual student support needs) over and above the Top-up funding allocation per student contained within this contract, this will be subject to separate negotiation by the Commissioner to ensure a person-centred offer of support.
- 5.4. The Council is also responsible for the organisation and cost of travel arrangements for young people attending the college with an Education, Health and Care Plan (EHCP) including a requirement for travel arrangements.
- 5.5. The Education capital budget has reserved £3.3 million to fund the capital development required in order to create new adapted college facilities.
- 5.6. The in-house Croydon Disability Youth service provides the remainder of the programme for Post 19 students with an annual revenue cost in the region of £280,000.

5.7. Revenue and Capital consequences of report recommendations

- 5.7.1. The expenditure for the placements of pupils will be fully funded from the Dedicated Schools Grant (DSG) High Needs Block allocation. The LA receives

approximately £60m from Government for spending on High Needs. There are significant pressures on the budget with increases in expenditure in recent years as a result of demand (numbers of EHCP's) the extension of EHCP responsibilities beyond 16 and the cost of fulfilling the requirements.

- 5.7.2. The LA, in a move to ensure a more sustainable position, is developing a 5 year High Needs Strategy. One of the key developments is work around a local post 16 provider (Croydon College) to provide more suitable options for students with significant/complex needs. The strategy aim is to support transition to adult social care and reduce reliance on higher cost placements in independent specialist colleges.

Risk Assessment

- 5.8. If the recommendation to approve this direct contract award to Croydon College is not endorsed, the Council would face the following risks:
- Financial- SEND budgets would continue to experience cost pressures in this area as a result of spot purchase provision. Young people with profound disabilities would be required to travel to neighbouring boroughs to continue their learning, which would also be at additional cost to the Council.
 - Reputational-The Council has committed to developing the strategic partnership with Croydon College, and the capital investment plans have already gained approval from Cabinet in 2018.
- 5.9. Quality risk-The College is still developing the specialist expertise in this area. To mitigate this risk, additional funding has been provided by the Council in 2018/19 and 2019/20 to enable the College to commission the required expertise to develop the local programme in Croydon.
- 5.10. There is considered to be minimal risk of challenge from other providers to making this contract direct award, as it enables the implementation of the decision by Cabinet in 2018 to develop the strategic partnership with Croydon College to provide local FE provision for young people with complex needs.

Future savings

- 5.11. Future savings and/or efficiencies will be considered as part of the contract review process, to ensure delivery against the projected savings contained in the DSG Deficit Recovery Plan.
- 5.12. Budgetary provision for this contract already exists.

Approved by: Kate Bingham, Head of Finance -Children, Families and Education

6. LEGAL CONSIDERATIONS

- 6.1 The legal considerations with regards approving the award of this contract are as set out in this report.

Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 This report recommends a direct award to Croydon College and considers that there would be no HR considerations arising from this decision for Croydon Council.

Approved by Nadine Maloney on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1. The contracted learning programme is anticipated to promote equality of opportunity for young people with special education needs, in accessing further education and supported employment. The curriculum will be designed to reduce inequalities in educational achievement, to meet the developmental needs of young people with severe and complex additional needs.
- 8.2. An Equality Impact Analysis (EA) will be conducted to ascertain the potential impact of the proposed changes on groups that share a protected characteristic as part of the longer term development of the programme and location for the course delivery.
- 8.3 Where changes to the commissioned provision are being considered for 2020, where young people are being transferred to provision in Croydon, the EA will be reviewed to ensure equality considerations are addressed and for continued validity. Consultation will be undertake with parents of young people using the service

Approved by Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 It is considered that there are no increased or decreased environmental sustainability impacts, from the proposed contract award contained in this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no implications from the proposed contract award for the reduction/prevention of crime and disorder.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 A Direct Award for this provision is considered appropriate for the following reasons:
- The College is working in partnership with the Council to develop a curriculum for a specialist further education programme to meet the learning and development needs of young people with SEND as part of Croydon's Local Offer.
 - The Council has committed the capital investment to create an environment and facilities that is suitably equipped to meet the needs of this age group, given the complexity of physical and learning disabilities of the young people attending the provision.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1. **Do nothing:** The Council has committed in the SEND strategy to developing a local FE provision which has been facilitated by a capital investment, to reduce the need for young people travelling to provision in other boroughs and at significant additional expenditure to the Council.
- 12.2. **Open Competitive tender:** This option is not considered reasonable at this stage, as the course delivery requires the availability of local facilities within a mainstream FE provision. Croydon College is considered the only local FE provider with a suitable quality rating that can offer these arrangements for the 19-25 age group.

CONTACT OFFICER:

Name:	Kathy Roberts
Post title:	SEND Transformation Lead Officer

BACKGROUND DOCUMENTS: None

REPORT TO:	Cabinet 8 July 2019
SUBJECT:	Microsoft Enterprise Software Agreement
LEAD OFFICER:	Jacqueline Harris Baker Executive Director of Resources Neil Williams Chief Digital Officer
CABINET MEMBER:	Councilor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

The provision of a Microsoft enterprise software license agreement is vital to the council as it enables the Council to administer back office functions and the licences are required to transform the ICT estate enabling efficiencies from the application of new technology.

FINANCIAL IMPACT

The total cost of the proposed contract is stated in Part B of this report. This is provided for within departmental budgets.

FORWARD PLAN KEY DECISION REFERENCE NO.: 2119FR.

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated the power to the Cabinet Member for Finance and Resources to the power to make decisions set out in the recommendations below;

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Finance and Resources in consultation with the Leader of the Council, is recommended by the Contracts and Commissioning Board to approve the award of contract for Microsoft Enterprise Software Agreement in accordance with the Regulation 27(c) of the Council's Tenders and Contracts Regulations to the supplier named in Part B of this report for a contract period of 3 years for a maximum contract value stated in Part B of this report.
- 1.2 To note that the Director of Commissioning and Procurement has approved to waive the requirement under Regulation 21 to change the evaluation criteria from the Council standard to 70% price and 30% quality, in accordance with Regulation 18.
- 1.3 To note that the name of the successful contractor will be released once the contract award is agreed and implemented.

2. EXECUTIVE SUMMARY

- 2.1 The report recommends award of the contract for the provision of a Microsoft Enterprise software licence agreement for a three year term. The contract start date is 1 July 2019.
- 2.2 The detail section of this report sets out the background to this project and the procurement and evaluation process. This report recommends the award of the contract for Microsoft Enterprise Software Agreement to Bidder 3 for a period of 3 years and upon the terms detailed within this and in the associated Part B on the basis that this bidder has submitted the most economically advantageous tender for the provision of the Services. Further details are provided below; specific values and bidder identities are provided within the associated Part B report on this agenda.
- 2.3 The Procurement Strategy for the report titled “*ICT Sourcing Strategy*” which detailed the procurement approach was approved by the Contracts & Commissioning Board on 10 November 2017, CCB Ref: CCB1288/17-18 and has been adhered to throughout the procurement process.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
20/06/2019	CCB1495/19-20

3. DETAIL

- 3.1 The Council currently licences Microsoft software under an Enterprise Agreement with a specialist software reseller. There is a continuing requirement to licence Microsoft software products so that the Council is able to continue to use and maintain existing products.
- 3.2 New cloud based Microsoft software products are also being implemented as part of the Digital transformation (“Transformation”) bringing new functionality and the requirement to maintain upgrade rights to support the transformed ICT environment. These solutions and systems are critical across the organisation to deliver key services for Croydon residents and the cloud based approach will further enable efficiencies and improved ways of working which are key to support the council’s financial strategy. As such, a new enterprise agreement is required.
- 3.3 The Council is able to take advantage of a Crown Commercial Services (CCS) Memorandum of Understanding with Microsoft to benefit from volume discounts, across the MS product range, by aggregating subscription licencing volumes across the entire public sector.
- 3.4 As such, a mini competition was run under Crown Commercial Services

framework RM3733 Technology Products 2 - Lot 2 Packaged Software with invitations to tender being sent via the Council's e-tendering portal to 21 companies on that framework. Bidders were given 17 days to respond to the invitation.

- 3.5 The Council is able to enter into a further subscription based licence enterprise agreement with Microsoft. This will mean that the Council will only pay for what it actually uses and give the Council the flexibility to reduce or increase licence numbers to accommodate the Council's changing requirements. The proposed duration of the subscription based licence enterprise agreement ("the Agreement") is for 3 years This timeframe will enable the Council to fully utilise the benefits of a subscription model, review products and over time, see a possible reduction in spend as there is an expectation that staff numbers will decrease leading to reduced licence requirements and a subsequent reduction in subscription costs. The three year term is fixed and there are no options to extend. The expected start date for the new enterprise agreement is 1 July 2019.
- 3.6 The tender documents were structured to reflect the Council's policy for the provider to pay any person employed or engaged in the performance of the Services or Works at a rate at least equivalent to any implemented London Living Wage (LLW) in accordance with the guidelines of the Living Wage Foundation. Bidders were required to submit social value offerings with their bids as part of the quality criteria.
- 3.7 The contract will be managed by the Croydon Digital Services Contracts Management team to ensure on-going compliance and value for money.
- 3.8 Of the 21 companies invited to tender, three companies declined to bid. One of these was unable to supply and the other two decided that they would not be competitive. Twelve companies did not respond. Six companies submitted compliant tenders which were evaluated by a panel of subject matter experts from CDS and Procurement.
- 3.8 Tenders were evaluated against a set of requirements with cost and quality ratios set at 70% cost and 30% quality. Award criteria questions in the Service Specification were designed to assess potential Providers ability to meet the needs of the Council and, unless marked Pass/Fail, were marked on the council standard zero to five (0-5) scale as set out in the table below.

Score	Rating	Details
0	Inadequate	Applies when a Bidder has clearly not understood the Council's requirement, or to instances where no response is offered.
1	Poor	Applies when the response indicates deficiencies or limitations that indicate that the Tender Response only partially meets the Council's requirements.
2	Adequate	Applies when the response indicates minor deficiencies or limitations that indicate that the

		Tender Response is inflexible, despite meeting the Council's minimum requirements, or only partially meets the Council's detailed requirements.
3	Compliant	Applies when the response is fully compliant and acceptable as meeting the Council's requirements and demonstrates cultural fit* .
4	Good	Applies when the response not only meets the Council's requirements, but offers additional benefits e.g. in terms of cultural fit* , functionality, scalability or level of Bidder support.
5	Excellent - Adding Value	Applies when the response meets the Council's requirements and provides significant additional benefits e.g. in terms of functionality, strong cultural fit* , scalability, Bidder support and a demonstrated ability to accommodate future developments with minimal effort and cost.

3.9 Quality sub-criteria included:

- Service Management & Account Administration
- Enterprise Agreement Administration and support
- Value add services included
- Social Value

3.10 All bidders were requested to join the Council's premier supplier programme and were scored on their responses as part of the Quality scores.

3.11 The tendered prices were evaluated based on Whole Life Costs ("WLC"). Scores were awarded as follows:

- Awarding the bidder with the lowest WLC the maximum score of 70%
- Awarding scores to other bidders on a pro/rata basis based on percentage variation

3.12 The contract shall be awarded in accordance of the contract award criteria. The Quality score is combined with the Price score in order to select the most economically advantageous tender for approval by the Council. This was the tender with the highest combined score.

3.13 Evaluation results summary is set out in the following table:

Criteria	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6
Quality	19.8	18.8	19	17.8	19.4	16
Total 30%						
Cost 70%	68.00	66.32	70.00	69.51	67.29	66.92
TOTAL	87.80	85.12	89.00	87.31	86.69	82.92
Rank	2	5	1	3	4	6

3.14 The evaluation determined Bidder 3 as the preferred bidder with the highest combined score over the quality and cost criteria.

4. CONSULTATION

- 4.1 Consultation has taken place with the Croydon Digital Service to ensure that the scope of the software license products meet current and planned requirements.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 Revenue and Capital consequences are as set out in Part B of this report.

1 Revenue and Capital consequences of report recommendations

Please see Part B report.

2 The effect of the decision

3 Risks

4 Options

No other options were considered viable as the Council requires Microsoft licensing to operate.

5 Future savings/efficiencies

The subscription model allows the council to reduce the number of licences being paid for annually as the number of users declines in line with the shrinking organisation.

- 6** Approved by: *Ian Geary*, Head of Finance, Resources

6. LEGAL CONSIDERATIONS

- 6.1 The legal considerations are as set out within this report.

- 6.2 Approved by: Sean Murphy, Director of Law & Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate Human Resources considerations arising from the procurement proposals in this report which would impact Croydon Council staff.

- 7.2 Approved by: Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 An equality analysis has not been undertaken because this is a continuation of the current service. When awarding the contract we will have due regard to whether it would be appropriate for the award criteria for that contract to include considerations to help meet the general equality duty. We will also stipulate conditions relating to the performance of the contract to help meet the three aims of the general duty such as eliminating unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act.
- 8.2 We will ensure the new software products and functionalities are inclusive and accessible to all including those from protected groups and in particular those with disabilities

Approved by Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 The nature of the requirement for the resulting new contract should not lead to any environmental impact.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder considerations arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The solution from the preferred bidder meets the requirements and provides the most economically advantageous tender.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The submitted tenders were evaluated. As all tenders received were compliant with requirements and no alternate options were proposed or considered.

CONTACT OFFICER: David Hatley, IT Procurement Manager, Ext. 64805

BACKGROUND DOCUMENTS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank