

Cabinet Background documents



15. Investing in our Borough (Pages 3 - 34)

Officer: Jacqueline Harris Baker

Key decision: no

JACQUELINE HARRIS BAKER
Council Solicitor and Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Victoria Lower
020 8726 6000 x14773
020 8726 6000
victoria.lower@croydon.gov.uk
www.croydon.gov.uk/meetings

This page is intentionally left blank

For Publication

REPORT TO:	Cabinet 18 November 2019
SUBJECT:	Community Equipment Services (CES) – Fleet Contract Award
LEAD OFFICER:	Jacqueline Harris-Baker, Executive Director – Resources Sarah Warman, Director – Commissioning and Procurement Paul Kouassi - Head of Service – CES
CABINET MEMBER:	Councillor Hall, Cabinet Member for Finances and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON People live long, healthy, happy and independent lives Refreshing the fleet will allow CES to comply with all of the standards of the code of practice for community equipment and provide a more efficient and effective service. A cleaner and more sustainable environment All vehicles being procured will be Euro 6 compliant. The future service provision is looking to provide an entire fleet of hybrid and electric vehicles contributing massively to the Council's Air Quality Action Plan (AQAP) core aim to move towards more environmental sustainable vehicles.	
FINANCIAL IMPACT The financial impact for the Council for the 5 years lease for the CES vehicles from a budget of £174,389, annually. This contract will save the Council £18,389 a year. The vehicles allow the CES to make a profit for the Council, this is currently forecasted to be £461,290 for 2019/20.	
FORWARD PLAN KEY DECISION REFERENCE NO.: This is not a key decision.	

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

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Finance and Resources in consultation with the Leader is recommended by the Contracts and Commissioning Board to approve the award in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for the Community Equipment Service Fleet Provision to

the provider named in part B of this report for a contract term of 5 years and a maximum contract value detailed in Part B of this report.

2. EXECUTIVE SUMMARY

- 2.1 The Community Equipment Service (CES) provides a vital service to residents, enabling them to maintain their independence at home. Through commercial partnerships with other local authorities and NHS bodies, CES facilitates over 100,000 deliveries a year of essential health and social care related equipment.
- 2.2 The vehicles that CES currently use are being leased under an arrangement not commercially advantageous for the Council, due the majority of the fleet being spot purchased.
- 2.3 A procurement strategy to lease 28 new vehicles was presented to CCB on 10th May 2019 (CCB1494/19-20) and the Council are now seeking to award the leasing and maintenance contract.
- 2.4 The Council has a statutory duty to deliver the community equipment service to the residents. This contract provides the service with vehicles that are fit for purpose that will enable CES to make efficiencies in their logistics team and provide more value to the service users.
- 2.5 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1518/19-20	17/10/2019

3. DETAIL

- 3.1 The objectives of this procurement are to: firstly maintain the service for residents and then to; allow CES to meet the emission targets of the Council and improve local air quality, increase awareness of the service by using branded vehicles, achieve savings by entering a new contract that provides best value for money, reduce the number of breakdowns, and increase the number of vehicles due to growing demand.
- 3.2 The contract award is for a five year lease for all required vehicles, adaptations and maintenance. The contract was procured using the open procedure of the Public Contract Regulations 2015. In accordance with the regulations, an OJEU notice and tender documents was issued to market on 28th August 2019 with a respond date of 27th September 2019 and 5 providers responded.
- 3.3 The scoring mechanism was weighted in line the previous Tender and Contract Regulations due to the date the procurement strategy was approved (60% cost

and 40% quality). The suppliers were ranked by their total score with the highest ranked supplier being the preferred supplier.

- 3.4 The quality evaluation was carried out by the Operations Manager, Service Delivery Manager and Procurement Lead from CES, and Fleet Manager from the Independent Travel Service. All 5 tenders were evaluated. A moderation was held on 3rd October by the Category Manager for Travel and Transport.
- 3.5 There was a total of five tenders submitted and two were excluded due to not meeting minimum quality scores. Supplier D did not meet the minimum requirement on the quality standards and Supplier E did not meet the minimum requirements related to replacement vehicles.
- 3.6 The combined scores of price and quality give the total score for each tenderer (in the table below). The winning provider A received an overall total score of 71%.

	Supplier A - Winner	Supplier B	Supplier C	Supplier D	Supplier E
QUALITY (40%)	27%	23%	24%		
PRICE (60%)	60%	55.6%	58.2%		
TOTAL	87%	78.6%	82.2%	Did not meet the minimum requirement	Did not meet the minimum requirement

- 3.7 Social value submission by the winning provider gained the highest scoring Social Value response from all the suppliers.

4. CONSULTATION

- 4.1 There was no consultation for this decision as it is a fleet replacement and there is no change to the service. .

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 Croydon Community Equipment Services operates as a trading entity, charging for collections and deliveries of equipment as well as a markup of equipment it issues to other local authorities and therefore provides a surplus back to the Council.
- 5.2 Croydon Community Equipment Services has separate financial arrangements within the Council, operating through a separate financial system (SAGE). The Community Equipment Service has its own business plan and budgets have been set for 19/20. This has been signed off by the Community Equipment Service Board (made up of senior officers from the Council).

5.3 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	29	174	174	174
Income				
Effect of decision from report				
Expenditure	26	156	156	156
Income				
Remaining budget	<u>3</u>	<u>18</u>	<u>18</u>	<u>18</u>

5.4 The effect of the decision

Detailed in Part B of the report.

5.5 Risks

The main risk is around delivery timescales, as the longer the old vehicles are being used, the continued cost to the Council increase around spot hire prices and maintenance.

5.6 Options

See section 12 (below).

5.7 Future savings / efficiencies

This project has been put in place to save money as the current fleet is on a spot hire agreement and the new vehicles will decrease costs related to maintenance. Over time costs related to petrol will reduce when vehicles move over from petrol to hybrid.

Approved by Ian Geary, Head of Finance – Resources, on behalf of Lisa Taylor, Director of Finance, Investment & Risk and Section 151 Officer

6. LEGAL CONSIDERATIONS

6.1 The Solicitor to the Council comments that there are no additional legal considerations arising directly from this report.

Approved by Sonia Likhari, Lawyer, on behalf of Sean Murphy, Director of Law and Governance & Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no considerations in relation to staffing levels, restructuring/regrading, recruitment, employee relations, the Council's personnel policies or other human resources matter.

Approved by: Gillian Bevan, Head of HR – Resources, on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 An initial EA has been completed. There are no changes to current service, for the service user, so a full EA is not required.

9. ENVIRONMENTAL IMPACT

- 9.1 The future service provision will provide an entire fleet of hybrid and electric vehicles contributing massively to the Council's air quality action plan (AQAP) core aim to move towards more environmental sustainable vehicles. The roll-out will obviously be function of the charging point's geographical coverage across our area of operations (Croydon, Merton, Sutton, and Kingston) together with the technological progress made in the automotive industry.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts related to this procurement.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The recommended solution will offer the greatest value for money over the course of the contract, the new vehicles will reduce the maintenance costs and the cost of fuel over the life. The supplier was able to meet a greater number of the requirements specified in the invitation to tender and was able to provide more detailed answers which gives assurances that the attention to detail from this supplier will deliver the product the Council needs and this is reflected in the pricing for the project.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The CES fleet procurement followed the 'open tender' process. The tender will be advertised through OJEU, the Council's E-portal and linked to this project. The lease of the vehicles, customisation, servicing and maintenance of the vehicles will make up this procurement.
- 12.2 Financial analysis has been completed around the leasing of the 28 vehicles compared to buying vehicles in house. The cost of purchase is £0.8m, with the cost of leasing £0.7m over a 5 year term. This assumes that all vehicles

are replaced by April 2020, with a phased introduction of Hybrid vehicles between April 2020 and April 2024. The phasing will be in line with the provision of electric charging points across Croydon, Merton, Sutton and Kingston, and the testing and availability of new hybrid vehicles on the market. The market has been engaged with and are willing to swap vehicles from petrol to hybrid throughout the contract term.

- 12.3 As well as the saving of £0.1m over 5 years, the leasing option will also offer replacement and emergency vehicles at short notice, which is important to maintain continuity of operations.
- 12.4 Leasing also removes the need to sell the vehicles in the future. It is expected there will be a need to replace the fleet in a further 5 years' time when the hybrid vehicle market will have evolved, and there will be a further need to review and meet the latest low emission standards.
- 12.5 There are insufficient hybrid vehicle options in the market place to be able to purchase all vehicles outright in April 2020. CES has also trialled the use of electric vans on two occasions with different models. It was found on both occasions that the range offered by electric vans does not currently meet the requirements of CES and are therefore not considered as part of this procurement. We are however aware that over the next few years, Citroen, Ford, MAN, Mercedes, Peugeot and Volkswagen are among those bringing out new models.

13. DATA PROTECTION IMPLICATIONS

13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

Personal data will not be processed under this contract. The supplier will not hold or process data for the Council therefore GDPR will not be applicable throughout this contract.

Approved by: Paul Kouassi, Head of Service for CES, on behalf of the Director of Commissioning and Procurement

CONTACT OFFICER: David Thompson, Procurement Lead, CES

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

REPORT TO:	Cabinet 18 November 2019
SUBJECT:	Coulsdon College Temporary Modular Build Unit – Contract Variation
LEAD OFFICER:	Shifa Mustafa, Executive Director Place Stephen Tate, Director of Council Homes, Districts and Regeneration
CABINET MEMBER:	Councillor Alisa Flemming Cabinet Member for Children, Young People and Learning Councillor Simon Hall Cabinet Member for Finance & Resources
WARDS:	Old Coulsdon
<p>CORPORATE PRIORITY/POLICY CONTEXT:</p> <p>This project supports delivery of the following key themes of the Corporate Plan 2018-22:</p> <ul style="list-style-type: none"> • Education and Learning: We want to work towards a borough that can provide every young person the best possible start and recognizes the different needs and challenges that they all face. • A fairer Croydon: The Opportunity and Fairness Commission provides much that we must still pursue including a commitment to equality of access to education and jobs. <p>This project supports delivery of the following key themes of Croydon’s Community Strategy priorities and outcomes:</p> <ul style="list-style-type: none"> • Outcome 1: A great place to learn, work and live. Outcome 2: A place of opportunity for everyone – in particular: Priority Two; Support individuals and families with complex needs and; Priority Four: Deliver better education and the opportunity for everyone to reach their full potential. 	
<p>AMBITIOUS FOR CROYDON & WHY WE ARE DOING THIS:</p> <p>The delivery of this project is critical in ensuring the Council is able to meet its statutory requirement to provide pupil places to meet increasing demand and will support the Council in meeting the Policy Objectives of:</p> <ul style="list-style-type: none"> • Achieving better outcomes for children and young people • Promoting economic growth and prosperity 	
<p>FINANCIAL IMPACT SUMMARY:</p> <p>£0.500m was originally allocated within the Council’s Capital Programme Budget in accordance with the Education Estates Strategy (January 2019). The Education</p>	

Estates Strategy and Capital Programme submitted to Cabinet during September 2019, reflects a budgetary uplift in capital investment to £0.800m, for the hire of the modular build unit over the proposed period 2019/20-2020/21.

The original contract for the design and build of the modular building at Coulsdon College was awarded to Elliott Group Holdings up to the value of £495,522.

This report recommends the award of variation for the existing provision of the modular build contract, for an increase maximum contract value of £191,661.70, which will bring the total contract value to £687,183.70.

KEY DECISION REFERENCE NO.: This is not a key decision.

The Leader of the Council has delegated to the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance & Resources the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Resources is recommended to approve the contract variation in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations for Design and Build of a Temporary Modular Building at Coulsdon College to Elliott Group Holdings up to a new maximum contract value of £687,184 for a proposed contract period of 24 months (104 weeks).

2. EXECUTIVE SUMMARY

- 2.1 The temporary modular facility constructed at Coulsdon College has been installed to meet the immediate demand within the borough for the provision of SEND places for pupils aged 19-25.
- 2.2 The long term proposals for the 16-25 SEND Centre for Excellence in the Borough of Croydon, which will incorporate this temporary facility is currently going through due diligence and it has been agreed by the Director of Education and Youth Engagement to provide the current temporary provision for a further year at Coulsdon College (up until summer 2021). This is to ensure that enough time is allowed for all works to be carried out to determine the agreed provision for a permanent facility to be provided in Croydon.
- 2.3 The purpose of this report is to approve the recommendation to award the variation in accordance with regulation 30, of the existing modular build contract with Elliott Group Holdings (CCB Ref:1475/18-19) , for an increase maximum value of £191,661.70, which will bring the total contract value to £687,184. This variation will cover subsequent additional costs deriving from the works that were required during construction to ensure the facility is fit for purpose, the increase in the duration of hire period and the removal costs.

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

CCB ref. number	CCB Approval Date
CCB1523/19-20	24/10/2019

3. DETAIL

- 3.1 The original contract award to Elliott Group Holdings (CCB Ref: 1475/18-19) was for the design and build of the modular at Coulsdon College to enable young people (19-25) with special education needs to be educated in the borough. This was procured via the Council's existing Modular Unit Framework agreement with Elliot Group Holdings.
- 3.2 Based on the requirements set out in the original project brief and pricing set out in schedule 3 of the Modular Unit Framework, Lot 2, the appointed supplier submitted their pricing proposal to deliver the design and modular build at Coulsdon College for a maximum contract value of £495,522.
- 3.3 At the time of the original award of contract, the anticipated length of hire period for the modular build was 12 months. However, the Director of Education and Youth Engagement, confirmed that this now needs to be extended for a further twelve months, bringing the total to a maximum hire period of twenty four months. This will enable the Council to determine its permanent solution with regards to SEND provision for young people in further education within the borough. The removal costs was included in the tender return however not incorporated within the original award report because there was no firm decision with regards to the duration of the modular unit. Therefore the proposed variation of contract includes the removal cost of the modular, and the subsequent additional hire period, along with unforeseen works that occurred during the construction.
- 3.4 The weekly hire costs submitted in the original tender submission was £1,123.13 per week. Elliott Group have offered a discounted rate of £1,072.50 per week for the additional 52 weeks as part of this proposed contract variation.
- 3.5 The proposed variation to the original contract award is based on the following costs:
- Additional 52 week hire period at £1,072.50 per week = £55,770
 - Removal cost of modular unit at the end of the hire period = £79,892.40
 - Subsequent costs that occurred during construction e.g. Electrical Intake Works = £31,000
 - 15% contingency = £24,999.30

Total Contract Variation Value: £191,661.70

Total Contract Award Value to Elliot Group Holdings: **£687,183.70**

All variations to the original contract award have been reviewed to ensure that the contractor is offering best value for money.

- 3.6 Due to the unforeseen circumstances during construction there was a requirement to undertake major works to the electrical intake to ensure the delivery of the project was completed by September 2019. Approval was sought during August 2019 from the Director of Commissioning and Procurement of the additional cost of £31,000 under the emergency procedure Regulation 19.3 of the Councils Tenders and Contracts Regulations. It was agreed for the Council to continue with Elliott Group Holdings to undertake the works. The design and build of the modular unit at Coulsdon College was completed in September 2019.

3.7 Contract Management

The delivery of the contract will be managed by the Capital Delivery for Homes and Schools Team in accordance with the Council's contract management framework.

The progress of delivering this contract will be reported on a monthly basis to Education Estates Delivery Board.

4. CONSULTATION

- 4.1 The original Project brief was developed in consultation with the Council's Children, Families Department, and Special Education Needs Service. The variation to the brief and subsequent contract award has come about by a request by the Special Education Needs Service.
- 4.2 Internal and external engagement and consultation have been undertaken with relevant stakeholders throughout the project, including Coulsdon College and Croydon College.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

A budget increase of £800,000 has been allocated to the hire of a modular build unit at Coulsdon College and is included in the September 2019 Education Estates Strategy Cabinet Paper.

5.1 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
Capital Budget available	800	273	217	99
Expenditure	527	56	104	
Effect of decision from report				
Expenditure				
Remaining budget	273	217	99	99

5.2 The effect of the decision

This decision will commit the Council to an additional sum of £191,661.70 to give a total sum of £687,183.70 which can be met from the capital budget. Any remaining budget at the end of each financial year will be carried forward into the following financial year.

5.3 Risks

The following risks have been identified and are being actively managed:

Risk	Likelihood	Impact	Mitigations
Procurement Challenge due to the proposed variation	L	M	The risk is considered to be low because the existing contract terms and conditions allow for variation/additional instructions to be applied. The increase in scope which is not deemed to be a material change, relates to additional works which have become necessary under an existing contract award. The value of the additional works is below 50% of the original contract value.
Construction delays	L	M	Effective contract management will ensure works are delivered within the agreed timeframe. Liquidated Damages for late completion are to be agreed between the Council and Supplier. A retention clause is applicable under the framework at 3%.

Delays to Croydon College construction works	M	M	Deploy a contract and hire period extension with the supplier to ensure provision of accommodation is available for young people.
Performance issues	M	M	Implement Key Performance Indicators as set out in Schedule 8 of the Framework 'Key Performance Indicators'. As confirmed by the Education Programme Manager, he will closely monitor the performance of this contract.

5.4 **Options**

The Council has considered a number of options, including the option of not proceeding with this, however, this would have significant impact on delivering the temporary provision for young people with special educational needs whilst the Council determines the proposed permanent solution. It is therefore recommended to proceed with the award of variation via the existing contract with Elliott Group Holdings for an increased maximum contract value of £687,183.70.

5.5 **Future savings/efficiencies**

The weekly hire costs submitted in the original tender submission was £1,123.13 per week. Elliot's have submitted a discounted rate of £1,072.50 per week for the additional 52 weeks as part of this contract variation.

Approved by: Felicia Wright, Head of Finance, Place

6. **LEGAL CONSIDERATIONS**

- 6.1 The Solicitor to the Council comments that there are no additional legal issues arising directly from the report.

Approved by Sonia Likhari on behalf of the Director of Law and Governance

7. **HUMAN RESOURCES IMPACT**

- 7.1 There are no specific HR issues arising from the contents of this report, if any arise these will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place & GSE for and on behalf of Sue Moorman, the Director of Human Resources.

8. EQUALITIES IMPACT

- 8.1 The project will deliver a SEND facility for young adults aged 19-25 to allow them to continue their educational requirements within the borough. The facility will provide life skills training and specialist education.
- 8.2 The Equality Policy 2016-20 sets out the Council's commitment to equality and its ambition to create a stronger, fairer borough where no community is held back. The policy reflects the council's statutory duties under the Equality Act 2010 and is supported by the equality objectives set out in the Opportunity and Fairness Plan 2016-2020.
- 8.3 The equality objectives for 2018-22 are aligned to and will support the delivery of the Council's business outcomes set out in its Corporate Plan particularly in relation to:
- **People live long, healthy, happy and independent lives:** the delivery of this project is an investment in the voluntary and community sector, delivering a high quality purpose built space for the community, voluntary and the Council to work together to reduce inequality and increase the resilience of communities and individuals.
 - **Everyone feels safer in their street, neighbourhood and home:** Creating a welcoming, inclusive and pleasant place in which local people want to live and work and feel safe. The Community Centre will help in bringing people together through a diverse range of activities, increasing the resilience of the local community which in turn will help reduce crimes and anti-social behaviour.
- 8.4 The Elliott Group Ltd will be required to comply with the CDM Regulations 2015 which includes the obligation to meet the provisions set out in the Equality Act 2010.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 In accordance with the existing terms and conditions of contract, the delivery of the design and build of the modular complies with the required legislation including WEEE regs. The new modular building achieves the highest standards possible within the various site constraints and will be designed in consideration of the local surroundings. Additionally, the intention is to reduce energy use and associated carbon emissions by introducing low-impact building materials.
- 9.2 The Council will work with the college to monitor the post occupancy energy performance of the new buildings. This is to ensure that the low energy designs perform as expected and to capture any lessons learned for future projects.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no immediate Crime and Disorder consequences of this proposal.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 To proceed with the award of variation relating to the Council's existing contract with Elliot Group Holdings, to enable young people with special educational needs to be educated within the borough at Coulsdon College until summer 2021.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The Council has considered a number of options, including the option of not proceeding with this, however, this would have significant impact on delivering the temporary provision for young people with special educational needs whilst the Council determines the proposed permanent solution. It is therefore recommended to proceed with the award of variation via the existing contract with Elliott Group Holdings for an increased maximum contract value of £687,183.70.

13. DATA PROTECTION IMPLICATIONS

- 13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

- 13.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

This report does not involve the processing of 'PERSONAL DATA'.

The Director of Council Homes, Districts and Regeneration comments that there are no additional data protection implications arising directly from the report.

Approved by: Stephen Tate, Director of Council Homes, Districts and Regeneration

CONTACT OFFICER:

Name:	Clive Kershaw
--------------	---------------

Post title:	Education Programme Manager
Telephone number:	Ext. 47127

This page is intentionally left blank

REPORT TO:	Cabinet 18 November 2019
SUBJECT:	People's Systems Implementation Resources (Delivery Partner) for implementation and improvement – VARIATION
LEAD OFFICER:	Jacqueline Harris Baker Executive Director of Resources Neil Williams Chief Digital Officer
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON The provision of ICT case management systems supports the councils priorities to collaborate across the borough with the voluntary sector, public services, business and community groups to create a seamless system of information, engagement and service delivery.	
FINANCIAL IMPACT The proposed contract extension and variation will be for ten months from 1 st October 2019 until 30 th September 2020(Go-Live date). This extension to the current contract will be funded from the existing budgets for the People's System Review Programme that are now held within the Croydon Digital Services. The total anticipated cost of the ten months extension will be £599,648. Giving a total contract value of £1,060,480	
FORWARD PLAN KEY DECISION REFERENCE NO. 3719FR 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 Finance and Resources the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

- 1.1. The Cabinet Member for Finance and Resources in consultation with the Leader is recommended by the Contracts and Commissioning Board to approve the variation of the People IT Systems delivery partner contract with Albany Beck Ltd in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations for an additional contract period expiring 30th September 2020 for an increased contract sum of £599,648 and a new maximum contract value of £1,060,480.

2. Executive Summary

- 2.1 A procurement was undertaken in 2018 to obtain the specialist resources with the right skill set and experience to deliver the implementation of newly acquired ICT Case Management Systems for Adults Social Care and Education.
- 2.2 A variation to that contract is now required. There is a need to retain the delivery partner to complete Business Process and finance workstreams, as these are the most complex areas of the programme and will deliver the main configuration of the Liquidlogic Adults System and the ContrOCC finance system. This will enable the configuration of the Adult Social Care systems (LAS and ContrOCC) to be completed and for the systems to go live on the scheduled dates, whilst transferring knowledge and experience to Croydon Digital Services teams, meaning that any further implementation work can be undertaken by in-house staff.
- 2.3 Due to the support required for both of these workstreams a further variation to the original contract with Albany Beck is necessary to allow the completion of this work at a further cost of £599,648. This together with the original variation of £460,832 will exceed the original contract value of £607,156 by £453,324, however the additional monies have been included in the overall programme budget, so will not require additional money to be found.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1522/19-20	24/10/2019

3. Detail

- 3.1 In accordance with the agreed procurement strategy, CCB Ref: 1410/18-19, the CCS G-Cloud framework was used where potential Suppliers (Delivery Partners) were identified following use of the framework search and filter facility. The search and filter was undertaken in accordance with the framework guidance. The CCS G-Cloud framework is a pre-bid compliant route to market.
- 3.2 The standard approach for G-Cloud was then followed where the Service Descriptions and Service Definitions for each Suppliers offerings was reviewed against the Council's requirements and any areas for further clarification were identified.
- 3.3 A delivery partner was not required to help with the implementation of the additional functionality procured for the Children's Social Care Case management system as the Children's Business Systems Team already have the skills and experience needed to undertake this work.
- 3.4 Following the procurement process, the subsequent contract was awarded in January 2019 (Cabinet Ref 0419FR) to Albany Beck as a Delivery Partner for the implementation of Liquidlogic Adult Social Care system (LAS) and associated

finance system (ContrOCC), together with the implementation of Servelec's Synergy Education system.

- 3.5 The contract was broken down into 4 distinct phases with gated processes built into progression between phases. The contract award was for £607,156 for the following:

Phase 1 – Analysis

Phase 2 – Design

Phase 3 – Implementation

Phase 4 – Improvements

- 3.6 The overall contract value of £607,156, which was based on the original scoping, was determined on the basis of all phases (1 to 4) being completed but with substantial input and activity from the in-house team. This has however proven to be a challenge and far more work has been required of the Delivery Partner as the in-house teams have been unable to undertake all the anticipated activities (more so in respect of the Liquid logic system which covers both Children's and Adults going forward. This led to Phases 1 and 2 costing £460,832, compared to £41,010 stated in the award report. This is the total expenditure to date.

- 3.7 A contract variation was agreed by CCB on 28/06/2019, CCB ref: CCB1500/19-20 which covered phase 1, allowed phase 2 to begin and agreed to the increased costs. This was approved with the direction that Croydon seek to re-procure other implementation resources for phases 3 and 4.

- 3.8 The impact of that decision however was not fully understood at the time as the information needed to define the requirements for phases 3 and 4 was to be informed by work undertaken in Phase 2. This has only recently started to be established, the outcome of which is:

Phase 2 is scheduled to end in October 2019 meaning there is insufficient time to complete the requirements for phases 3 and 4, undertake a procurement and award a contract without activity being paused until that process is completed

Due to the level of involvement already undertaken, it would be a high risk to the project if Croydon chose to re-procure at this stage and disengage from the current Delivery Partner, particularly for the Adult Social Care implementation

It should be noted that initial discontent with Albany Beck has largely disappeared within Adult Social Care due to the work being sub contracted to BetterGov who have since proven to be regarded as trusted by the Adults service.

Workstreams

- 3.9 During the Analysis and design phase, it was established that all functionality in the Adults Social Care system would go live in September 2020, but that the Education system would be implemented module by module over a period of two years.
- 3.10 The implementation of the Adults Social Care System would be broken down into a number of workstreams as shown below.

Workstream	Description
Data Migration	Migrate data from existing systems and spreadsheets to the Liquidlogic and ContrOCC systems
Business Processes	Identify all the business processes within Adult Social Care that need to be supported by the LiquidLogic system, document them, identify how the new system should be configured and configure it so that business processes are supported by the new system.
Finance Processes	Identify all the Adult Social Care finance processes that need to be supported by the new finance system (ContrOCC), document them, and configure the new system to meet them. This includes interfaces to corporate finance systems.
Reporting	Develop a reporting strategy, identify reporting and management information requirements and then develop those reports.
Training	Undertake a training needs analysis to identify the training required by ASC staff to use the system. Develop training programmes and materials, ensure all staff are trained.
Interfaces	Identify all required interfaces between the new systems and other systems used across the council and its partners.

Immediate Issues

- 3.11 The delivery of the business process workstream and Finance workstreams are a critical step in the implementation timeline. Liquidlogic work to a strict process and timetable and require the council to provide business processes to allow them to configure system workflows. (This is not such an issue for Education). Adult services need support in developing the processes in order to meet the deadlines for the implementation of Liquidlogic. The service has established a good working relationship with Albany Beck project team and the project is currently progressing well.
- 3.12 Initiating a tender at this stage to commission another or even re-commission the same Delivery Partner will result in the Liquidlogic timetable being missed. The implications of not delivering to that timetable will result in:
- Projected savings from software licences in the new system will be reduced or missed
 - Implementation of improved processes within Adults Social Care being delayed
 - Delays in delivering functionality to support One Croydon Alliance
 - Delays to improvements in payments processes to Providers
 - Delays to improvements in undertaking financial assessments

Resource Proposal

- 3.13 Different approaches are being taken towards the Liquid Logic Adults Social Care and Education systems implementation.
- 3.14 Adults will implement the whole system at once, which is scheduled to go live in September 2020 whilst Education is being implemented module by module. The first modules go live in April 2020 and the whole system is due to be live by the end of May 2021.
- 3.15 Education – will retain the Delivery Partner for phase 2 and re-scope for the remainder of the programme to allow the implementation to be delivered through a hybrid of Croydon Digital Resources, contractors and in-house staff.

3.16 Adults– The proposal is to retain the recent contract variation for phase 2 of the Delivery Partner contract in the amount of £378,300 as:

- We are already contractually committed to this
- Planning of all workstreams will be completed in this phase
- The first round of configuration and data migration for systems will be completed in this time period
- There is a need to retain Albany Beck for the remainder of the Business Process and finance workstreams, as these are the most complex areas of the programme and will deliver the main configuration of the Liquidlogic Adults System and the ContrOCC finance system.
- Due to the support required for both of these workstreams a further variation to the original contract with Albany Beck is necessary to allow the completion of this work at a further cost of £599,648. This together with the original variation of £460,832 will exceed the original contract value of £607,156 by £453,324, however the additional monies have been included in the overall programme budget, so will not require additional money to be found.
- This will enable the configuration of the Adult Social Care systems (LAS and ContrOCC) to be completed and for the systems to go live on the scheduled dates, whilst transferring knowledge and experience to Croydon Digital Services teams, meaning that any further implementation work can be undertaken by in-house staff. The result being we will not require the services of a Delivery Partner beyond the end of this contract extension, so there will no longer be a need for phase 4 of this contract as those activities will be conducted by in house resources including any configuration needed for the Children's modules.

4. CONSULTATION

4.1 The new approach has been discussed and agreed with Croydon Digital Services and the Senior Responsible Officers for Adult Social Care and Education whom are all supportive of the proposals with the understanding that potential risks will be mitigated.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

	Current year 2019/20	Medium Term Financial Strategy – 3 year forecast		
		2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Capital Budget available				
Expenditure	9,033	2,014	1,521	0
Effect of decision from report				
Expenditure	0	0	0	0
Remaining budget	9,033	2,014	1,521	0

- 5.1 The total approved Peoples ICT programme budget is £12,568m up to 2021/22, with current annual allocations as set out in the table above. There will be no financial implications arising from the proposed contract variation to Albany Beck, which increases the contract by £599,648 to a total of £1,060,480. The 10 months contract extension will impact the profiling of the 2 years 2019/20 and 2020/21 but this can be contained within existing budget allocations.

5.2 The effect of the decision

The implementation of this strategy for the extension and variation of the contract for the Delivery Partner to continue with the Business Process implementation of the ICT case management systems for Adults. It will commit the council to a 10 months contract extension at an estimated cost of £599,648 that will be met from existing People ICT Programme budget.)

5.3 Risks

1	Supplier looks to increase charges for extension.	The Delivery Partner agrees to the ending of the contract at the end of the Go-Live date. Contingencies included in the projected costs
2	Lack of expertise to complete implementation	Use of external contractors with relevant experience and skills
3	The implementation is not	Highlight key dates and milestones and

	delivered in time.	allocate responsibility.
4	Lack of funding to progress activities needed to achieve key dates.	Outline resource profile developed. Business case developed to secure funding to deliver implementation.
5	The variation does not comply with the provisions of Regulation 72 of PCR as the value exceeds 50% of the awarded contract value. Risk of challenge	If challenged by a third party in this respect there is a risk that the contract might be found to be ineffective. The variation is required for technical reasons under Reg 72. (1) (b) 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
6	Management of delivery partner resource usage against contract	Resource usage is monitored through fortnightly meetings with the CDS programme manager. It is also reported within the monthly highlight reports that go to the project board and CDS Digital Strategy Board. Any variations or out of scope work have to be quoted for against contingency and agreed by the programme manager, SRO and the project board before they are allowed to proceed.

5.4 Options

The variation and extension is required to ensure the project can be delivered within the new system providers implementation timeline

5.5 Future savings/efficiencies

A Statement of Works has been negotiated with the current supplier for the contract variation and extension. The aspects of work being brought in-house are: Reporting, Health and Social Care Integration, Data Migration Infrastructure and Training for the Adult Social Care project and delivery of the whole Education project.

Approved by: Ian Geary Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

- 6.1 Legal issues are as referred to in the report

Approved by: Sonia Likhari on behalf of Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 I confirm HR authorisation and that there are no immediate HR issues arising from this report for Croydon Council employees or staff.

Approved by: Gillian Bevan Head of HR Resources on behalf of Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 No discernible impacts identified as a result of this strategy. An initial Equality Analysis has been completed and a full analysis will be required as part of the commissioning process.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 No discernible impact identified as a result of this strategy

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no direct crime and disorder impacts identified as a result strategy

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The variation for extension is required in order to allow for the continuation of the work required for the implementation of the new ICT Adults Social care and Education case management systems.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 No other feasible options have been identified. To stop the extension into phase 2 would mean the implementation being stalled and timelines not being met.

13. DATA PROTECTION IMPLICATIONS

13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

YES

The delivery partner will be processing personal data as part of their core duties, but will have to process Adult Social Care data within the new system as part of their work to test that data has been migrated successfully and that the system has been configured correctly.

Once the system is live, the delivery partner will not be involved in processing personal data.

13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

Yes

The Chief Digital Officer of CDS comments that Information Management have reviewed the DPIA and there are no major issues. Some risks have been identified, which the implementation of the project will need to mitigate.

Approved by: Neil Williams Chief Digital Officer

CONTACT OFFICER:	Rob Osborne Systems Implementation Programme Manager Ext 64372
APPENDICES TO THIS REPORT:	Appendix 1 – DPIA
BACKGROUND PAPERS:	N/A

This page is intentionally left blank