

LONDON BOROUGH OF CROYDON

To: all Members of the Council (via e-mail)
Access Croydon, Town Hall Reception

PUBLIC NOTICE OF KEY DECISIONS MADE BY THE CABINET MEMBER FOR FINANCE AND TREASURY ON 29 FEBRUARY 2016

In accordance with the Scrutiny and Overview Procedure Rules, the following decisions may be implemented from **1300 hours on 8 March 2016** unless referred to the Scrutiny and Overview Committee:

The following apply to each decision listed below

Reasons for these decisions: are contained in the **attached** Part A report

Other options considered and rejected: are contained in the **attached** Part A report

Details of conflicts of Interest declared by any Cabinet Member: none

The Leader of the Council has delegated to the Cabinet Member the power to make the decisions set out below:

CABINET MEMBER'S EXECUTIVE DECISION REFERENCE NO. : 01/16/FT
Decision Title: Demand management and financial sustainability programme

Having carefully read and considered the attached Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Finance and Treasury in consultation with the Leader of the Council.

RESOLVED :

1.1 to approve the award of a contract to provide services to support the demand management and financial sustainability programme in two stages of seven months (stage 1) and six months (stage 2) with the option to extend for up to a further five months at an initial term cost of £805k for stage 1, to the contractor and upon the terms detailed in the associated Part B report.

1.2 to note that the name of the successful contractor will be released once the contract award is approved and implemented.

Scrutiny Referral/Call-in Procedure

1. The decisions may be implemented **1300 hours on 8 March 2016** (5 working days after the decisions were made) unless referred to the Scrutiny and Overview Committee.

2. The Borough Solicitor, Director of Legal and Democratic Services shall refer the matter to the Scrutiny and Overview Committee if so requested by:-
 - i) the Chair or Deputy Chair of the Scrutiny and Overview Committee and 4 members of that Committee; or
 - ii) 20% of Council Members (14)
3. The referral shall be made on the approved pro-forma (*attached*) which should be submitted electronically or on paper to Solomon Agutu and Jim Simpson by **1300 hours on 8 March 2016**. Verification of signatures may be by individual e-mail, fax or by post. A decision may only be subject to the referral process once.
4. The Call-In referral shall be completed giving:
 - i) The grounds for the referral
 - ii) The outcome desired
 - iii) Information required to assist the Scrutiny and Overview Committee to consider the referral
 - iv) The date and the signatures of the Councillors requesting the Call-In
5. The decision taker and the relevant Chief Officer(s) shall be notified of the referral who shall suspend implementation of the decision.
6. The referral shall be considered at the next scheduled meeting of the Scrutiny & Overview Committee unless, in view of the Borough Solicitor, Director of Legal and Democratic Services, this would cause undue delay. In such cases The Borough Solicitor, Director of Legal and Democratic Services will consult with the decision taker and the Chair of Scrutiny and Overview to agree a date for an additional meeting. The Scrutiny & Overview Committee may only decide to consider a maximum of 3 referrals at any one meeting.
7. At the Scrutiny & Overview Committee meeting the referral will be considered by the Committee which shall determine how much time the Committee will give to the call in and how the item will be dealt with including whether or not it wishes to review the decision. If having considered the decision there are still concerns about the decision then the Committee may refer it back to the decision taker for reconsideration, setting out in writing the nature of the concerns.
8. The Scrutiny and Overview Committee may refer the decision to Full Council if it considers that the decision is outside of the budget and policy framework of the Council.
9. If the Scrutiny and Overview Committee decides that no further action is necessary then the decision may be implemented.
10. The Full Council may decide to take no further action in which case the decision may be implemented.

11. If the Council objects to the decision it can nullify the decision if it is outside of the policy framework and/or inconsistent with the budget.
12. If the decision is within the policy framework and consistent with the budget, the Council will refer any decision to which it objects together with its views on the decision. The decision taker shall choose whether to either amend / withdraw or implement the original decision within 10 working days or at the next meeting of the Cabinet of the referral from the Council.
13. The response shall be notified to all Members of the Scrutiny and Overview Committee
14. If either the Council or the Scrutiny and Overview Committee fails to meet in accordance with the Council calendar or in accordance with paragraph 6 above, then the decision may be implemented on the next working day after the meeting was scheduled or arranged to take place.
15. **URGENCY:** The referral procedure shall not apply in respect of urgent decisions. A decision will be urgent if any delay likely to be caused by the referral process would seriously prejudice the Council's or the public's interests. The record of the decision and the notice by which it is made public shall state if the decision is urgent and therefore not subject to the referral process.

Signed: Borough Solicitor & Monitoring Officer, Director of Legal and Democratic Services

Date: 29 February 2016

Contact Officers: Solomon.Agutu@croydon.gov.uk;
jim.simpson@croydon.gov.uk

Telephone: 020 8726 6000 Ext. 62326

PROFORMA

**REFERRAL OF A KEY DECISION TO THE
SCRUTINY AND OVERVIEW COMMITTEE**

For the attention of: Solomon Agutu & Jim Simpson,
Legal & Democratic Services Division

Meeting:
Meeting Date:
Agenda Item No:

Reasons for referral:

- i) The decision is outside of the Policy Framework
- ii) The decision is inconsistent with the budget
- iii) The decision is inconsistent with another Council Policy
- iv) Other: Please specify:

The outcome desired:

**Information required to assist the Scrutiny and Overview Committee to consider
the referral:**

Signed:

Date:

Member of _____ Committee

For General Release

REPORT TO:	Cabinet Member for Finance and Treasury Date of proposed decision – on or after 22/02/16
AGENDA ITEM:	Background paper to item 10.1 – Cabinet 22 February 2016
SUBJECT:	Demand management and financial sustainability programme
LEAD OFFICER:	Graham Cadle, Assistant Chief Executive Customer and Transformation
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Treasury and The Leader of the Council
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT: The recommendation in the report will help to ensure the Council has a robust and sustainable medium to longer term (2017-20) financial strategy. This will enable the ambitions for the borough to be developed, programmed and achieved, including the priorities set out in the Growth Promise, the Independence Strategy and the Liveability Strategy.	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: Strong financial governance and stewardship ensures that the Council's resources are aligned to enable the corporate priorities to be achieved. The contract award recommended for approval in this report will support the development and delivery of a programme to secure the financial sustainability of the Council over the next three to five years, enabling the continued delivery of the Growth, Independence and Liveability outcomes.	
FINANCIAL IMPACT: The contract recommended for award is split into two stages of seven months (stage 1) and six months (stage 2) at a contract value of £805k for stage 1 with indicative costs associated with stage 2 at £769k, these are to be confirmed upon completion of stage 1. The costs for stage 1 of the contract will be met from the Transformation Earmarked Reserve. It is anticipated that the costs incurred in phase 2 will be offset by the savings generated. This contract will support the delivery of a programme to analyse demand across council services and to identify, agree and commence delivery of opportunities for improved outcomes and savings to inform the draft budget for 2017/18 and the indicative budgets for 2018/19 and 2019/20 and to equip the Council to successfully deliver these.	
KEY DECISION REFERENCE NO.: 01/16/FT 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 & Strategic Overview Committee by the requisite number of Councillors.	

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Finance and Treasury in consultation with Leader of the Council is recommended to approve the award of a contract to provide services to support the demand management and financial sustainability programme in two stages of seven months (stage 1) and six months (stage 2) with the option to extend for up to a further five months at an initial term cost of £805k for stage 1, to the contractor and upon the terms detailed in the associated Part B report.
- 1.2 The Cabinet Member for Finance and Treasury is asked to note that the name of the successful contractor will be released once the contract award is approved and implemented.

2. EXECUTIVE SUMMARY

- 2.1 This report recommends the award of contract for services (the services) to support the demand management and financial sustainability programme at a maximum value of £805k for the period of seven months (Stage 1) and an indicative value of £769k for six months (Stage 2), with the option to extend for up to a further five months (which will be subject to another separate review report after successful completion of Stage 1).
- 2.2 An initial phase of the demand management and financial sustainability programme was initiated in 2015, focusing on specific interventions to address in year budget pressures within the People department. This was completed, with findings and recommendations, in December 2015 which are being implemented as detailed in 3.7 below.
- 2.3 This main phase of this programme will now build upon the findings and recommendations of the initial work. It will have an organisational-wide focus, and will seek to develop the budget options for 2017/18 and beyond, as well as the Council target operating model that will support delivery of these options. By securing the right support to assist the delivery of this work the Council will maximise the opportunity; increasing the pace of delivery, widening the breadth of options and experience from elsewhere whilst critically up-skilling staff to own and take-forward new service approaches.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
18/02/16	CCB1097/15-16

3. DETAIL

- 3.1 Local Government is facing an unprecedented set of challenges with significant financial reductions and increasing service demands generated by changes in demographics and the growing needs of some of the most vulnerable communities it supports. There is also growing public pressure to maintain and improve services and Croydon is no different to any other authority in this regard.
- 3.2 In 2014, the Council set a target of saving £100m from 2015-2018 in order to meet the dual challenges of reduced government funding and rising service demand. The “Croydon Challenge” was established. The Croydon Challenge is a comprehensive programme covering every part of the Council. The overall programme began delivery in the summer of 2014 to address the £100m financial challenge over the next three years. The programme is currently delivered using a mixture of internal capacity through the transformation and service improvement team (3 FTE) supplemented by internships, secondments and interim roles.
- 3.3 Services were asked to propose opportunities for service redesign, service efficiencies and in some cases reductions in services to deliver the savings required. Whilst significant progress has been made in reducing the budget gap, challenges remain. There is an in-year 2015/16 pressure as detailed in the latest councils financial report which is currently being managed through a number of actions detailed in that report. The council is also currently working towards a balanced budget plan for 2016/17. This plan will be reliant on successful delivery of a number of transformation and service review projects and the ongoing mitigation of budget pressures caused by rising demand again detailed in the financial reporting.
- 3.4 Rising demand, particularly for services delivered by the People department, is a significant cost driver for the Council. In the Pre-decision Scrutiny Report, “Performance and proposed budget 2016-17” presented on 15/12/15, the following high cost service areas are identified as experiencing high and/or increasing levels of demand:
 - 3.4.1 SEN Transport – transport demand remains high
 - 3.4.2 Looked After Children – high cost packages, increasing demand in leaving care costs and an increase in Special Guardianship Orders are all contributing to rising costs of provision
 - 3.4.3 Adult Care – increased demand for a number of services such as domiciliary care (including complex needs packages), physical disabilities and learning disabilities are all contributing to rising costs of provision.
 - 3.4.4 Temporary Accommodation – increased service demand, particularly due to the housing benefit cap.
- 3.5 The local government finance settlement was confirmed on the 8th February 2016 and this set out a reduction of £45m in funding for Croydon over the next four years. The government have also assumed that council tax income in Croydon will increase by £40m in that period. Taking into account the proposed

settlement from government, the Council's latest estimate of demand pressures, and the savings the Council has committed to, there is still an estimated budget gap of £26.4m over the period to 2020. The Croydon Challenge programme remains crucial to achieving those savings

- 3.6 For the next phase of the Croydon Challenge, the Council has identified the need to bring a demand management and behavioural science focus to its transformation activity to build on existing strategies it already has in place. The intention is to deliver a programme which develops strategic thinking through improved analytical capability coupled with culture and behaviour change within the framework of demand management across the whole organisation and with the Council's wider partners where appropriate. This will require innovative and wider system thinking beyond the council's traditional role and borders to create a new sustainable model for the council within the public sector system of Croydon. It will also require additional pace and capacity than that which can be achieved with the existing service provision.
- 3.7 Initial work on this programme was carried out in 2015. Through this, the Council has undertaken strategic analysis and developed tactical improvements in the People department to ensure longer term financial sustainability. This has resulted in the development of a programme to secure increased financial management assurance within the People department over both the immediate and medium term. Robust forecasting processes and tools have been developed, supported by improved data quality. In addition, a range of high level opportunities to reduce demand in key areas have been identified, with options appraised in order to inform the main work of the programme, to which this report pertains.
- 3.8 In order to now deliver very significant service review and redesign whilst maintaining current service and being able to move at pace, the council needs to bring in the skills, national and international experience, critical challenge and market intelligence that a supplier with significant experience in this field can offer. It is, however, essential that this programme delivered and owned by the Council, supported by the supplier. Therefore, the services provided by the supplier appointed to deliver the programme will be supplemented with existing internal resources. Knowledge transfer will form a crucial part of the delivery of this programme from the outset with demand management eventually forming an essential part of staff development.
- 3.9 By the end of September 2016 (Stage 1 of the contract), the programme enabled and informed by this key support will have delivered:
 - 3.9.1 Targeted projects which demonstrate the impact of applying a demand management framework to service delivery and service design.
 - 3.9.2 A training and knowledge transfer programme for identified staff and managers at all levels of the council;
 - 3.9.3 Demand analysis across all three departments, to identify and agree opportunities for savings to inform the draft budget for 2017/18 and the indicative budgets for 2018/19 and 2019/20;
 - 3.9.4 The future operating model for the agreed priority demand reduction areas in People, Place and Resources;

3.9.5 A delivery plan for the implementation of demand reduction and future operating model through to March 2020 – reflected in an updated Croydon Challenge programme.

3.10 The Programme will be managed through the existing governance structure of the Croydon Challenge, with regular reporting to ELT (Executive Leadership Team) as well as departmental DLTs (Departmental Leadership Teams) and other relevant governance boards where there is a clear rationale for doing so. A multidisciplinary team is responsible for delivery, including managing the procurement of external expertise. The team comprises officers responsible for the relevant technical aspects and interdependencies of the Programme, namely:

- Head of Transformation and Service Improvement;
- Head of Finance and Deputy 151 Officer;
- Senior Transformation and Service Improvement Officer;
- Senior Procurement Officer.

3.11 A strategy to source external support for the Council's demand management and financial sustainability programme was approved by Contracts & Commissioning Board (CCB) on 19 November 2015 under reference CCB1064/15-16.

The Procurement Process

3.12 The strategy identified a procurement process calling off from the Government Procurement Service Framework Agreement RM1502 ConsultancyOne (Lot 2.1 Policy Development and Advice). This lot offers a wide choice of capable suppliers with the relevant specialist expertise, providing access to the main market able to meet the Council's requirements.

3.13

Lot 2.1 Policy Development and Advice			
1	2020 DELIVERY LTD	11	EiB Professional Services Limited
2	ACTICA CONSULTING LTD	12	ERNST & YOUNG LLP
3	ATKINS Ltd	13	GRANT THORNTION UK LLP
4	ATOS Ltd	14	iMPower Consulting
5	BMT Hi-Q Sigma Ltd	15	KPMG LLP
6	Bramble Hub Limited	16	METHODS CONSULTING Ltd
7	CAPGEMINI UK Plc	17	MOTT MACDONALD Ltd
8	Capita Business Services Ltd	18	Ove Avrup & Partners Ltd
9	Concerto Partners LLP	19	PA CONSULTING SERVICES LTD
10	Deloitte LLP	20	SSG Partners Limited

3.14 On 25/11/15, all companies in the lot were invited to express an interest on this tender opportunity and to confirm their organisation was registered on the Council's e-tendering portal. We received thirteen positive responses with the remaining seven companies not responding. On the 27/11/15 the companies who had expressed an interest were invited to tender, with a response date of

the 14/12/15.

- 3.15 A supplier briefing session was held at Bernard Weatherill House on 02/12/15 to for all suppliers who were invited to tender. Three suppliers attended the session. Detailed notes of all questions asked by suppliers at the session and the answers provided were taken and added to the Council's e-tendering portal whereby they were available to all those invited to tender.
- 3.16 The tender asked suppliers to detail how they will ensure that this contract supports the Council's commitment to ensuring all contracts include measures to promote social value within the local community. In particular suppliers were asked to outline at least four key performance indicators their organisation will commit to deliver over the life of the contract. In addition, particular emphasis was placed on knowledge transfer and up-skilling of council staff within the consultancy brief, with an expectation that the successful tenderer will provide a range of staff development activities.
- 3.17 We received two compliant tender submissions by the response date.
- 3.18 These were evaluated in accordance with the invitation to tender (ITT) documentation on the basis of the Most Economically Advantageous Tender (MEAT); a combination of quality and cost. The tenders were evaluated against the framework's agreed high level criteria, with 60% awarded to quality and 40% awarded to cost.
- 3.19 The tender evaluation was conducted against the sub-criteria set out in the ITT documentation as below. A minimum score requirement of three was set on the first six qualitative evaluation criteria, to ensure the Council only considered responses of an acceptable quality standard in all criteria, with the exception of social value and early payment rebate, which were scored against the council's standard minimum criteria:

Award Evaluation Criteria	Weighting	Maximum Score
Relevant experience of similar work	10%	5
Project Plan	5%	5
Approach to delivery of outcomes	18%	5
Key Personnel	10%	5
Training and Knowledge Transfer	8%	5
Innovation	5%	5
Social Value	2%	5
Early Payment Rebate (PSP)	2%	n/a
Quality Total	60%	n/a
Price	40%	n/a
Total	100%	n/a

- 3.20 The evaluation panel members individually scored the tenders and held a moderation meeting to agree consensus scores. The process included ensuring a sufficient level of detail was captured regarding each element that was evaluated to ensure that the Council can fulfil its obligations in regards to

information provided to unsuccessful bidders.

- 3.21 The evaluation panel agreed additional clarification questions for the two bidders. These questions focused on further details in relation to the case studies provided and key deliverables relating to these, adequate programme resourcing at a senior level to facilitate the development of the council's target demand model, on staging the contract and whether this would have an impact on the cost of the contract, and on the potential to gradually reduce the level of supplier input and to increasingly resource the support team from council staff in order to reduce the total cost of the contract.
- 3.22 Following the supplier clarification, it was agreed that neither of the bidders had submitted proposals or provided clarifications which demonstrated the desired partnership working approach for this programme.
- 3.23 The decision was taken on 05/01/16 to end the tender process, make amendments to the specification in order to better express the expected approach to delivery of requirements and to reissue the invitation to tender and revised specification to the 13 suppliers on the lot who had originally expressed an interest in the tender opportunity. Both bidders were contacted via the e-procurement portal to inform them of this decision on 06/01/16.
- 3.24 An amended specification placed greater emphasis on the partnership approach required to shape the council's target demand model. Contract staging was added in order to provide a decision gateway point at which the supplier's performance can be assessed before entering the second stage of the contract. The scope of the work, the delivery requirements contained within the specification and the timescales for delivery remained unchanged.
- 3.25 As the amendment to the specification did not alter the Council's original requirements or delivery timescales, the 13 suppliers who originally expressed their interest in the tender opportunity (see 3.14) were contacted via the e-procurement portal on 11/01/16 to inform them that the Council would be re-issuing the invitation to tender with an amended specification. On 14/01/16, the ITT was issued to these 13 suppliers with a response date of the 04/02/16.
- 3.26 The Senior Responsible Officer was notified on 10/01/15 and accepted there was a risk of a challenge from the suppliers who opted out or did not respond to the original expression of interest, when those suppliers who did express an interest were invited to tender again and was not offered to the previously non-responsive framework suppliers. The risk was assessed as low due to the broad nature of the information about the tender opportunity originally provided to the full list of suppliers on the framework on 25/11/15 and the low likelihood of the market having significantly changed between 25/11/15 and 11/01/16.
- 3.27 Another supplier briefing session was held at the town hall on 16/01/16, led by the Chief Executive, to which all 13 suppliers were invited. Three suppliers attended the session. Detailed notes of all questions asked by suppliers at the session and the answers provided were issued via the tendering portal along with, a video of the Chief Executive's presentation on the council's vision and

requirements for this work.

3.28 Suppliers were again asked to detail how they will ensure that this contract supports the Council's commitment to ensuring all contracts include measures to promote social value within the local community, as in 3.16 above.

3.29 This time we received three tender compliant submissions and these were evaluated in accordance with the evaluation criteria as detailed in the ITT documentation.

3.30 The tender evaluation was conducted against the sub-criteria set out in 3.19 above.

3.31 The evaluation panel members individually scored the tenders, a moderation meeting was held to agree consensus scores, see the table at 3.32 for the evaluation scores.

3.32 The table below shows the individual results of each tender submission.

Bidder	Quality score (out of 60%)	Quality rank	Price score (out of 40%)	Price rank	Total weighted score (out of 100%)	Overall Rank
Bidder A	46.4%	1	39.71%	1	86.11%	1
Bidder B	45.35%	2	33.01%	2	78.36%	2
Bidder C	29%	3	15.68%	3	44.68%	3

3.33 Bidder C did not meet the minimum score requirement of three on the first four of the six qualitative evaluation criteria as described in 3.19 above. The panel agreed that there was no scope for improving these scores through provision of further clarifications. The bidder was informed that the council would not be progressing further with their bid on 09/02/16.

3.34 The two remaining bidders were provided with clarification questions in relation to their bids via the procurement portal and invited to attend clarification interviews on 16/02/16.

4. CONSULTATION

4.1 The scope includes work to further develop demand baselines and forecasts across the Council, building on the work completed in the initial work, in order to define the organisational target operating model required to meet the financial challenge posed in 2017/18 and beyond. The key stakeholders for this work are staff and Members.

4.2 Existing intelligence, including data from prior consultation with residents and service users, will be used to develop demand baselines and forecasts.

4.3 It will also include the delivery of projects scoped in the previous work. The consultation implications of these projects have been considered as part of the options appraisal developed in the initial work, and consultation is unlikely to be

required for any of these targeted proof of concept projects.

- 4.4 If, through the work of this project, statutory or regulatory requirements necessitate consultation with service users and/or residents, due to either the nature or scale of changes proposed as a result of the Programme, this will be planned and undertaken within project delivery.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Revenue Budget available	115	690		
Expenditure				
Income				
Effect of decision from report	115	690		
Expenditure				
Income				
Remaining budget	0	0		

The table above details the funding for stage 1 only.

- 5.2 **The effect of the decision:** There is provision in the existing Transformation Earmarked Reserve for the costs associated with stage 1 of this work, which total £805k. It should also be noted that the successful provider has agreed to invest a further £93.5k of their own costs in to this project associated with input from senior staff support at no cost to the Council

- 5.3 **Risks:** The following risks have been identified and are being actively managed:

Risk	Mitigation
Risk of additional costs to the Council as a result of this contract	<p>The nature of this programme that it is developmental and therefore not all costs relating to delivery of the programme and recommendations arising as a result of the programme will be known at this stage. However, in order to provide a high level of cost assurance at this stage of the programme:</p> <ul style="list-style-type: none"> • Bidders were asked to identify Council resource requirements within their proposals and where this was not clear, clarifications were sought. • Knowledge transfer is a significant feature of the

	<p>programme and bidders were asked to provide details of how they would ensure knowledge transfer and training are delivered in order that the programme can be sustainable beyond the supplier's engagement with the Council.</p> <ul style="list-style-type: none"> • Stage 2 costs will be reviewed and aligned with delivery and based on invest to save business cases. • A contingency allowance has been built in to the indicative Stage 2 costs.
<p>Risk of procurement challenge as mentioned in 3.26 above and from unsuccessful bidders</p>	<ul style="list-style-type: none"> • The risk mentioned in 3.26 above was assessed as low due to the broad nature of the information about the tender opportunity originally provided to the full list of suppliers on the framework on 25/11/15, none of the 7 suppliers responded with a reason for not expressing an interest, and the low likelihood of the market having significantly changed between 25/11/15 and 11/01/16. • The procurement and evaluation process has been overseen by the Head of SCC and Senior Procurement Officer. All documents provided to suppliers have been shared through the e-procurement portal. The supplier briefing was videoed, and the video uploaded to the e-procurement portal. All non-commercially sensitive clarification questions and answers have been shared with all bidders through the portal. • The costs arising from any challenge would be minimal.

5.4 FUTURE SAVINGS/EFFICIENCIES - It is expected that this work will generate long term efficiencies for the Council significantly contributing to the overall Croydon Challenge target of £25m by 2020.

In addition to developing and supporting delivery of the options for the Council's budgets for 2017/18, 2018/19, 2019/20 and beyond, the contract will provide a number of additional benefits such as:

- Social Value benefits – Bidder A has provided a social value offer aiming to benefit local people. This includes mentoring Croydon school children over the course of the contract, delivering a skills based workshop in a Croydon School and creating supply chain opportunities for SMEs and social enterprises.
- The supplier will be required to sign up to the 2% rebate for early payment of invoices as part of the Premier Supplier Programme
- Knowledge transfer – Bidder A has a comprehensive approach to knowledge transfer and training which will upskill council staff at all levels in order to secure the sustainability of programme delivery beyond the

contract.

Approved by: Richard Simpson, Assistant Chief Executive Corporate Resources and Section 151 Officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Council Solicitor comments that subject to the procurement risks detailed in para.3.24-3.26, in other respects the overall procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure best value under the Local Government Act 1999.

Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Director of Democratic & Legal Services

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate HR considerations that arise from the recommendations of this report for LBC staff.

Approved by Michael Pichamuthu, HRBP, on behalf of Heather Daley, Director of HR

8. EQUALITIES IMPACT

- 8.1 The delivery solutions arising from this service have not yet been defined and therefore it is only possible to complete an initial EA at this stage. Further analysis will be required as part of the planning process to consider any equality and social inclusion implications and take mitigating actions to address these.

9. ENVIRONMENTAL IMPACT

- 9.1 There are no environmental or design impacts as a direct result of this programme.
- 9.2 Through the programme, the council will be considering areas of service delivery in which demand management can be successfully applied to reduce service delivery cost and improve outcomes. It is possible therefore that the programme could have a positive indirect impact on the environment. An example of this would be encouraging increased recycling by local businesses and residents in order to reduce the costs of landfill.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There is no crime and disorder reduction impact as a direct result of this programme.
- 10.2 Through the programme, the council will be considering areas of service delivery in which demand management can be successfully applied to reduce service delivery cost and improve outcomes. It is possible therefore that the programme could have a positive indirect impact on crime and disorder reduction. An example of this would be to increase focus on preventative measures targeting costly anti-social behaviour such as fly tipping.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Based on the evaluation completed, as detailed in section 3.25-3.34 and during the clarification interview it was clear which supplier best understood and demonstrated they could meet the Council's requirements was Bidder A. The recommendation is to appoint Bidder A, on the basis of Most Economically Advantageous Tender (MEAT).

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The option of a full in-house provision was considered. There is not the level of expertise or current capacity in house required for this piece of work. Knowledge transfer and staff development will be a significant part of the contract in order to build the level of expertise and skills within the organisation to support an ongoing demand-led programme of transformation.
- 12.2 The option of resourcing the programme with an agency model was also considered. The pace, expertise, national/international experience and market intelligence required for this work does not lend itself to an agency model. One person will not have the breadth of skills or experience required to deliver the scope of this contract. Bringing in multiple agency workers would require significant internal management resource and expertise, which does not exist within the Council as outlined in 12.1
- 12.3 For the council to meet its current financial pressures/timeframes and to address very significant demand increased it needs to be sure it has the right capacity, the widest understanding of options and areas of focus and resources already experienced and skilled in the new way of working. To build that internally would take considerable time, take away from other current key projects and put at risk service performance. Therefore bringing in the right expertise to work alongside and with council staff will provide the right approach and ensure we are in the best place to drive the approach forward longer-term.

CONTACT OFFICER:

Name:	Matthew Wallbridge
Post title:	Head of Transformation and Service Improvement
Telephone number:	Ext. 65516

BACKGROUND PAPERS – None