

For General Release

REPORT TO:	Cabinet Member for Finance and Treasury
AGENDA ITEM:	N/A
SUBJECT:	Contract Variation to Commissioning Support for Budget Challenge Contract
LEAD OFFICER:	Graham Cadle, Director of Customer, Transformation and Communications Services
CABINET MEMBER:	Cllr Simon Hall Cabinet Member for Finance and Treasury In consultation with Cllr Tony Newman, Leader of the Council
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT:</p> <p>PricewaterhouseCooper LLP (PWC) were appointed through a competitive tender exercise in October 2013 via the Government Procurement Services (GPS) framework agreement which meets the Councils Corporate priority to provide 'Value for Money' to its residents.</p> <p>The required skills and resources are not available via the existing personnel / resources within the Council and therefore the appointment of PWC via the GPS framework agreement represents good value for money whilst also providing the appropriate skill set.</p>	

FINANCIAL IMPACT SUMMARY:

There is provision within the Council's 2014/15 budget for this requirement and the expenditure will influence the Council's ability to deliver future efficiencies and savings.

KEY DECISION REFERENCE NO.: N/A**1. RECOMMENDATIONS**

The Cabinet Member for Finance and Treasury, in consultation with the Leader of the Council, is recommended to:-

- 1.1 approve a variation of the 'Commissioning Support for Budget Challenge 2015/18' Contract with PricewaterhouseCooper LLP, with a total contract value of £660,000, to enable them to deliver overall programme management, engagement and governance support to the design and implementation phase of in the Croydon Challenge programme on the terms and as detailed in the associated Part B report on this agenda.

2. EXECUTIVE SUMMARY

- 2.1 2.1 The original 'Commissioning Support for Budget Challenge 2015/18' contract (the original contract) was awarded to PricewaterhouseCooper through the Contracts and Commissioning Board in October 2013 following a competitive tender exercise via the Government Procurement Service Framework Agreement, RM1502 ConsultancyOne.
- 2.2 This report seeks, in accordance with the Tenders and Contracts Regulations 32.6, approval to vary that original contract by way of extension for an additional four months to include the next phase of Croydon Challenge.
- 2.3 The procurement strategy and content of this report has been endorsed by the Contracts and Commissioning Board.

3. DETAIL

3.1 PricewaterhouseCooper LLP (PWC) were appointed through a competitive tender exercise in October 2013 via the Government Procurement Services (GPS) framework agreement which meets the Council's Corporate priority to provide 'Value for Money' to its residents.

- 3.2 PWC were appointed to facilitate the development of a comprehensive programme, working with the Extended Leadership Team (ELT) to meet the financial challenges faced by the council over the next three financial years.

This work has led to the development of the Croydon Challenge and has identified a portfolio of 47 projects that will enable the transformation and delivery of efficiencies to ensure the Council can meet the financial challenge whilst also ensuring the organization is focused on meeting the needs of the borough's most vulnerable citizens and delivering outcomes that will improve the lives of our diverse local communities.

3.3 The required skills and resources are not available via the existing personnel / resources within the Council and therefore the appointment of PWC via the GPS framework agreement represents good value for money whilst also providing the appropriate skill set..

4. CONSULTATION

4.1. The Extended Leadership Team (ELT) have led and shaped the development of the programme with Elected Members fully engaged and consulted on progress and next steps.

4.2. All staff engagement has also taken place and a comprehensive engagement plan is now in place to take these forward on a regular basis. This also includes engagement with local communities.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The financial impact of this project is set out below.

1 Revenue and Capital consequences of report recommendations

Detail covered in Part B

2 The effect of the decision

3

The cost of the contract extension can be contained within the 2014/15 financial budget

4 Risks

There are no identified risks.

5 Options

There are no alternative finance options available.

6 Future savings/efficiencies

This contract will influence the Council's ability to deliver £100,000,000 of efficiencies and savings.

Approved by: *Dianne Ellender*, Head of Finance and Deputy Section 151 officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1. The Council Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council’s Tenders and Contracts Regulations and the statutory duty to demonstrate best value under the Local Government Act 1999.

Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1. There are no Human Resources considerations arising from this report.

Approved by: *Hansa Bharadia*, HR Business Partner on behalf of the Director of Human Resources & Organisational Development

8. EQUALITIES IMPACT

8.1 There is no Equalities Impact Assessment consideration arising from the award of the contract variation.

9. ENVIRONMENTAL IMPACT

9.1. There is no environmental impact arising from the award of the contract variation

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 The original ‘Commissioning Support for Budget Challenge 2015/18’ Contract was required to provide support for the Budget Challenge and develop a strategic framework to identify vital issues such as what the Council needs to do to meet its statutory responsibilities, what the Council wants to do in terms of meeting priority areas of need and what are the stakeholder’s expectations to assist the Council to remain sustainable given the multitude of challenges.

11.2 The key output from this process has been a Croydon Challenge Programme comprising 10 key themes and supporting projects. These themes/projects have now been defined and assessed in terms of ease to implement and potential benefits.

11.3 The findings and proposals for moving into the next phase were presented to, and agreed by, the Council's Extended Leadership Team on 14 May 2014. This now forms the basis for the next phase of Croydon Challenge – design and implementation, which is the subject of the proposed contract variation.

11.4 The proposed contract variation will enable the Council to move quickly into the design stage and to build on the established relationship with PWC as the incumbent provider to ensure the project team fully understand the objectives of the programme and allow for immediate transition to the implementation phase.

11.5 The proposed variation will extend the contract for four months, which will take the total contract term to 11 months. The planned deliverables by the end of September 2014 are:

- Set up and confirmed programme governance, reporting and on-going management;
- Monitor and manage key challenge deliverables;
- Implementation and integration plan.

11.6 The rates for this phase of work comply with the ConsultancyOne schedule of rates (see para 2.1).

12. OPTIONS CONSIDERED AND REJECTED

12.1 No other options have been considered

CONTACT OFFICER:

Name:	Graham Cadle
Post title:	Director Customer, Communications and Transformation
Telephone number:	020 8726 6000