

MUNICIPAL YEAR 2017/2018 REPORT NO.

Delegated Decision of the Executive Director of Finance, Resources and Customer Services

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Agenda –	Item:
Subject: Wards: ALL	
Cabinet Members consulted: N/A	

1. EXECUTIVE SUMMARY

Some of the contractor resources to support ICT and Transformation Work Programme and service delivery have been provided via the Matrix agency contract.

The council decided in February 2018 that these contractors would need to pay IR35 tax from 1 April 2018, and most contractors were unwilling to do this, therefore the council immediately had a significant business continuity risk.

The council has addressed this through procuring a single supplier, Venn Group, via a compliant procurement from the government's G-Cloud Framework, to deliver one contract comprising 6 work packages for a further 3 months from 1 April 2018.

During this 3 month period the ICT service wishes to establish and begin recruitment to fixed-term posts, to deliver the remainder of the work programme, in order to reduce the overall cost of resourcing the programme.

2. RECOMMENDATIONS

That the Executive Director of Finance, Resources and Customer Services approves the use of one 3 month contract with Venn covering the following 6 work packages:

Biztalk Development	£59,296.11
Web Development	£38,416.11
Social Care Programme Management	£33,420.27
Housing Programme and Homelessness Reduction	£62,353.61
GDPR and ICT Security	£248,353.61
Financial Consultancy	£27,353.61
The total value of this Call-Off Contract is	£469,193.32

These are to be funded from the agreed Work Programme budget for 2018/19-2019/20 (key decision no: 4410), as well as service specific funding for the Housing, and Finance packages, and some funding from schools for the GDPR work package.

Approval is sought to accept the supplier liability limit set out in the draft contract mentioned within the risks section below, rather than the unlimited liability required in the Council's CPRs.

3. BACKGROUND

The council has an ambitious ICT and Transformation Work Programme, with a budget of £32m, approved by Cabinet on 14 December 2016, and subsequently by council.

The programme was established to deliver essential modernisation of software systems for major council services, essential updates to core ICT infrastructure and hardware required to keep the Council compliant with external legislation, and to maintain ICT equipment in a useable state while keeping data secure.

4. ALTERNATIVE OPTIONS CONSIDERED

- Do Nothing: Not acceptable, as this would put the council's approved work programme and some service delivery at risk.
- Retain existing contractors by paying their IR35 liability: This was not possible as it was rejected by the contractors, and in any case would have increased the council's costs by over 30%.
- Recruit new contractors and paying the IR35 liability: Not acceptable as this would have increased the council's costs by over 30%.
- Recruit to fixed-term employee contracts: This was not an immediate option because new role profiles need to be written, evaluated and recruited to, which was not achievable in the time available. Previous recruitments in ICT have also failed multiple times due to the salaries being too low.

5. REASONS FOR RECOMMENDATIONS

The recommended option is to award a contract to Venn to protect business continuity, control costs, and improve performance management.

Procuring the services via a single supplier keeps the costs at an equivalent level to those being paid via Matrix, separates the relationship between the council and any individuals thus removing the IR35 liability, and enables the council to pay for work based on outputs and milestones rather than days worked. The reliance on a single contractor also means that responsibility for ensuring business continuity passes to this contractor.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1. Financial Implications

The costs for resources to deliver the ICT and Transformation Work Programme were already identified in the agreed £32m budget.

6.2. Legal Implications

6.2.1 The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles

6.2.2 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.

6.3. Property Implications

N/A

6.4 Procurement Implications

6.4.1 These services for implementation have been procured via Gov.uk digital marketplace framework, G-Cloud.

6.4.2 That in all cases procurement must follow contract procedure rules and EU regulations.

6.4.3 Any call off from a framework must be in line with the framework terms and conditions and the framework must be legally compliant and be accessible by Enfield Council.

6.5 IT implications

This decision supports the delivery of improved services through improved IT, as defined by the agreed work programme.

7. KEY RISKS

7.1 Venn's Liability levels are capped at 125% of the contract fee, but the risk of damages from resources rather than functions is significantly lowered.

7.2 Securing resources for 3 months is insufficient to complete the programme and so we retain a risk of business continuity, pending a longer-term solution, which is an ICT service priority.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

This work programme enables improved service efficiency and effectiveness for multiple services who are promoting fairness and opportunity including Adult Social Care and Housing.

Furthermore, it clearly enabling 'A fit for purpose Council', which supports the following principles:

- Do it once and in one place
- Right People with the right capabilities in the right place at the right time
- Efficient value for money financial management

8.2. Growth and Sustainability

This work programme enables improved service efficiency and effectiveness for multiple services promoting growth and sustainability.

8.3. Strong Communities

This work programme enables improved service efficiency and effectiveness for multiple services promoting strong communities.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

The work package strengthens performance management of resources.

10. HEALTH AND SAFETY IMPLICATIONS

NA