



# Cabinet

A meeting of the Cabinet will be held at the The Forum, Towcester, NN12 6AF on Tuesday 3 May 2022 at 6.00 pm

## Agenda

Public Session	
1.	<b>Apologies for Absence</b>
2.	<b>Declarations of Interest</b> Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.
3.	<b>Minutes</b> (Pages 5 - 12) To confirm the minutes of the meeting of Cabinet held on 12 <sup>th</sup> April 2022.
4.	<b>Chair's Announcements</b> To receive communications from the Chair.
5.	<b>Urgent Business</b> The Chairman to advise whether they have agreed to any items of urgent business being admitted to the agenda.
6.	<b>Highways Contract Procurement Update</b> (Pages 13 - 22)
7.	<b>Modern Income Management Solution</b> (Pages 23 - 32)
8.	<b>Hunsbury Park SEND unit</b> (Pages 33 - 40)

9.	<p><b>Exclusion of the Press and Public</b></p> <p>The following report(s) contain exempt information as defined in the following paragraph(s) of Part 1, Schedule 12A of Local Government Act 1972.</p> <p>Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.</p> <p>Should Members decide not to make a decision in public, they are recommended to resolve as follows:</p> <p>“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”</p>
<b>Private Session</b>	

Catherine Whitehead  
Proper Officer  
22 April 2022

**Cabinet Members:**

Councillor Jonathan Nunn (Chair)	Councillor Adam Brown (Vice-Chair)
Councillor Fiona Baker	Councillor Lizzy Bowen
Councillor Rebecca Breese	Councillor Matt Golby
Councillor Mike Hallam	Councillor Phil Larratt
Councillor Malcolm Longley	Councillor David Smith

**Information about this Agenda**

**Apologies for Absence**

Apologies for absence and the appointment of substitute Members should be notified to [democraticservices@westnorthants.gov.uk](mailto:democraticservices@westnorthants.gov.uk) prior to the start of the meeting.

**Declarations of Interest**

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item

**Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates**

Members are reminded that any member who is two months in arrears with Council Tax must declare that fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

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**Queries Regarding this Agenda**

If you have any queries about this agenda please contact Sofia Neal-Gonzalez, Democratic Services via the following:

Tel:

Email: [democraticservices@westnorthants.gov.uk](mailto:democraticservices@westnorthants.gov.uk)

Or by writing to:

West Northamptonshire Council  
One Angel Square  
Angel Street  
Northampton  
NN1 1ED

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Minutes of a meeting of the Cabinet held at The Forum, Towcester, NN12 6AF on Tuesday 12 April 2022 at 6.00 pm.

Present           Councillor Jonathan Nunn (Chair)  
                       Councillor Adam Brown (Vice-Chair)  
                       Councillor Fiona Baker  
                       Councillor Lizzy Bowen  
                       Councillor Rebecca Breese  
                       Councillor Matt Golby  
                       Councillor Mike Hallam  
                       Councillor Phil Larratt  
                       Councillor Malcolm Longley  
                       Councillor David Smith

Substitute       None  
 Members:

Also               Councillor William Barter  
 Present:       Councillor Sally Beardsworth  
                       Councillor Karen Cooper  
                       Councillor Alison Eastwood  
                       Councillor Jonathan Harris  
                       Councillor Nigel Hinch  
                       Councillor Rosie Humphreys  
                       Councillor Dennis Meredith  
                       Councillor Ken Pritchard  
                       Councillor Bob Purser  
                       Councillor Wendy Randall  
                       Councillor Emma Roberts

Officers           Gillian Baldock, Political Assistant to the Conservative Group  
                       Jo Barrett, Assistant Director - Housing and Communities  
                       Jed Scoles, Political Assistant to the Labour Group  
                       James Smith - Assistant Director of Finance & Strategy (Deputy Chief  
                       Finance Officer)  
                       Stuart Timmiss - Executive Director Place & Economy  
                       Catherine Whitehead – Monitoring Officer

**128. Apologies**

None

**129. Declarations of Interest**

None

130. **Minutes**

The minutes from the Cabinet meetings of the 28<sup>th</sup> of February 2022 and 15<sup>th</sup> March 2022 were approved and signed as a true and accurate record

131. **Chair's Announcements**

None

132. **Urgent Business**

None

133. **West Northamptonshire Enhanced Partnership**

At the Chair's invitation Councillor Phil Larratt presented the report, copies of which had been previously circulated. Members were advised that the report did not discuss subsidised routes, this would be looked at in more detail going forward. The improvement plan had been considered by Cabinet in October 2021 and had included information of a bid for funding. Members were informed that this bid had been unsuccessful and as such no funding would be awarded through this route. Feedback had been requested. It was advised that significant work had also taken place on the enhanced plan. The council would work with bus services to look at travel changes that had occurred since Covid.

Councillors made the following comments.

- It was noted that the working group had been essential and had worked well.
- It was queried whether the council could bring the bus service back into public ownership.
- Could concessionary tickets be provided for certain groups of people, such as under 18s?
- It was noted that further conversation was needed about active travel and sustainability.
- It was noted that members had not been informed of the results of the bid before the press had.
- It was understood that the enhanced partnership arrangement needed to remain in place should other funding opportunities become available.
- Cabinet was reminded that there had been an issue within rural areas, with insufficient public transport options, a strong plan was needed for this.
- The officer who had worked on this report was acknowledged for their hard work.
- It was important to keep pushing for better buses in order to meet the council's net zero pledge.
- It was queried how much of an impact the council could have on services as the bus operators control when and where to run services.

Councillor Larratt made the following comments in response.

- It was acknowledged that much work had been done by the officer responsible who had also been working within North Northants Council.
- It was noted that the ambition was there it was the innovation that was lacking.
- It was agreed that lack of public transport within rural areas was a problem.
- It was noted that real time displays for buses in rural areas was important.
- It was advised that many of the issues presented could be addressed through the partnership scheme.
- Members were advised to forward any other queries and they would be added to the agenda to discussed.

RESOLVED: That Cabinet;

- a) Made the Enhanced Partnership Plan and Enhanced Partnership Scheme, which form Appendices A and B of this report, as proposed in accordance with Section 138G of the Transport Act 2000.
- b) Noted the requirement to develop, consult on and publish a policy for subsidising bus services.
- c) Noted the allocation of additional Government funding to support bus services and the requirement to work with bus operators to co-design a financially sustainable and passenger-focused public transport network, that works for changing travel patterns post pandemic.
- d) Agreed to reimburse bus operators for concessionary travel at 100% of pre-Covid levels until 30 September 2022 and then at 90% of pre-Covid levels until 31 March 2023.
- e) Agreed to allocate £50,000 of the resultant projected saving in the concessionary travel budget for 2022/23 to work with operators on a marketing strategy for bus services.

134. **West Northamptonshire Anti-Poverty Strategy 2022-2025**

At the Chair's invitation Councillor Matt Golby presented the report, copies of which had been previously circulated. Members were advised that it was important that the Council had a clear strategy in place in order to hold itself to account. It was noted that there was a wealth of experience within the council as well as within the voluntary sector which would help with this, the Hope Centre being an example. Members were advised that the Poverty Truth Commission would be kept open. It's main role would continue to be interacting with residents who live in poverty.

Councillors made the following comments.

- It was noted that this was an excellent piece of work and the commitment made to work together needed to continue.
- Officers had been very receptive to feedback as well as voluntary sector groups.
- It was felt that a 'poverty assessment' could now be added as a recommendation on the report templates, as a variety of complex issues can add to poverty.

- It was advised that many residents had asked about how to access vouchers, as at times it had been unclear.
- It was noted that there had been a huge increase in domestic bills which included heating and fuel.
- Not many residents knew of the hardship fund, it was important that this information was made easily accessible to the public.
- The statistics available with regards to fuel prices dated back to 2019. The question of whether there were more up to date figures was raised.
- It was noted that the household support fund needed to be inclusive of all users.

Councillor Golby made the following comments in response.

- The additional recommendation was a valid point and will be looked into.
- It was important to make sure that both rural and non-rural poverty is addressed. Rural exclusion must be taken into account.

The Chief Executive advised that the original hardship fund had ended on the 31<sup>st</sup> March, with other schemes now in operation in its place.

Councillor Adam Brown noted that the terms of the household support fund had been amended and fuel oil would now be covered. Northampton Partnership Homes would continue to invest within West Northants including Talavera ward. Members were advised that stable and affordable homes go hand in hand with poverty.

The Chair reminded members it was important to work towards eliminating inequality across the whole of West Northants.

Councillor Phil Larratt noted that community facilities were an important part of a community.

Councillor Rebecca Breese agreed that all councillors should know where to point constituents to for help.

RESOLVED: That Cabinet;

1. Approved the West Northamptonshire Anti-Poverty Strategy 2022-2025 for adoption and implementation by the Health and Wellbeing Board.
2. Approved the continued engagement of our community, partners and community and voluntary sector organisations to develop a robust set of action plans, aligned to the objectives set out in the strategy and the performance framework which will underpin the strategy.
3. Approved the creation of an additional delivery fund to underpin the strategy, namely 'Community Health and Wellbeing Innovation Fund' using available Public Health Grant Reserve. That the strategy includes a commitment to produce an annual summary detailing key achievements and challenges faced in the preceding year

### 135. **Appointment of an Operator for the Vulcan Works Creative Hub**

At the Chair's invitation Councillor Lizzy Bowen presented the report, copies of which had been previously circulated. Cabinet was advised that the report sought approval



to enter into a contract. The report was then presented in detail. There would be various managed work spaces within the location. The importance of supporting businesses after lockdown was underlined. Members were advised that Oxford Innovations had been given the contract, the company had over 30 years' experience within this type of specialised business venture.

A Councillor noted that it would be important to keep aware of the performance of the company throughout.

RESOLVED: That Cabinet approved the appointment of the preferred bidder following the procurement process for the operation of the Vulcan Works Creative Hub using Competitive Procedure with Negotiation (CPN).

136. **Homes for Ukraine Scheme**

At the Chair's invitation Councillor David Smith presented the report copies of which had been previously circulated. It was noted that the Afghan Scheme should also be remembered at this time, there were currently 2 hotels in West Northants where families were being hosted. The Homes for Ukraine family scheme would be supported when needed. Members were asked to email with any queries, these emails were asked to be as concise as possible.

Councillors made the following comments.

- The process of how councillors can draw down the required funds was queried.
- It was questioned whether resources would be pulled from other areas to help with the scheme, if so, how would this be managed?
- It was queried whether WNC had the required interpreters in place to help.
- It was noted that there were currently 200 Afghan refugees in hotels in the area, was there a plan in place for these people.
- Could a briefing be provided to WNC councillors?
- It was noted that the current visa allowance was for 3 years only.

Councillor David Smith made the following comments.

- Members were advised that WNC was a council of sanctuary.
- The query behind visas had been discussed with MP's, however, the speed at which applications were processed and granted was not under the council's control.
- Members were advised that they were welcome to join the next parish briefing for further information.
- It was noted that the situation was always evolving.

RESOLVED: Cabinet noted the content of this report and associated appendices

137. **Towns Fund: 35-45 Abington Street Project- Business Case and Delivery Strategy**

The Chair advised that the appendix to this item was confidential and that if councillors wished to discuss it then the meeting would go into private session.

At the Chair's invitation Councillor Lizzy Bowen presented the report, copies of which had been previously circulated. Cabinet were advised that the costs would be met by the Towns Revenue Fund, and would come on to the market in a managed manner. The areas would be mixed use developments.

Councillors made the following comments.

- All regeneration of the Town Centre should be welcomed as it had seen a significant decline over the last few years.
- It was queried what WNC would get back should the venture not work.
- It was noted that affordable housing had not been discussed in the report.
- The question as to what type of sustainability would be built into this project was asked.

Councillor Lizzy Bowen made the following comments.

- To do nothing with the sites was not an option.
- Sustainability would be a key part of the project.
- Members were advised that the council would look to introduce more green space into the town centre.

The Executive Director of Place, Economy & Environment made the following comments.

- The grant money had been provided specifically for this project.
- The development was a joint venture as such risks and rewards would be shared.
- WNC would set the parameters in which it would be working.
- Members were advised that development appraisal had been put forward based on the current market.

RESOLVED: That Cabinet;

- a) Approved the Outline Business Case (OBC) for the 35-45 Abington Street Project, to draw down on £9.7m of Towns Fund funding.
- b) Approved the Procurement and Delivery Strategy (Appendix B) that sets out the recommended delivery route for the 35-45 Abington Street Project (which recommends using a form of Development Agreement to deliver the project).
- c) Authorised the purchase of each of 35-39 Abington Street and 20-28 Wood Street, in each case subject to a red book valuation and satisfactory due diligence on the site, a resultant acquisition being made at no more than a fair commercial price taking account of all relevant factors.
- d) Confirmed it is willing in principle to exercise its compulsory purchase powers to facilitate the development, if necessary.
- e) Noted a further Cabinet report would be brought back upon the completion of the procurement process to seek approval for the preferred bidder.

The meeting closed at 8.32 pm

Chair: \_\_\_\_\_

Date: \_\_\_\_\_

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# WEST NORTHAMPTONSHIRE COUNCIL CABINET

**3 May 2022**

**Cllr Larratt**

**Portfolio Holder for Environment, Transport, Highways & Waste**

<b>Report Title</b>	<b>Highways Contract Procurement Update</b>
<b>Report Author</b>	<b>Nick Henstock Head of Highways and Transport Nick.Henstock@westnorthants.gov.uk</b>

## Contributors/Checkers/Approvers

<b>West MO</b>	Catherine Whitehead	15 April 2022
<b>West S151</b>	Martin Henry	21 April 2022
<b>Other Director/SME</b>	Stuart Timmiss Executive Director for Place, Economy and Environment	21 April 2022
<b>Communications Lead/Head of Communications</b>	Becky Hutson	19 April 2022

## List of Appendices

**None**

### **1. Purpose of Report**

- 1.1. To update the Executive on the project to procure a new highways contract for West Northamptonshire Council (WNC).

- 1.2. To delegate authority to award the contract to the bidder which is successful, determined by reference to the published rules, cost and quality criteria, to the Executive Director Place, Economy and Environment and Executive Director Finance, in consultation with the Portfolio Holder for Environment, Transport, Highways and Waste Services, and the Portfolio Holder for Finance.

## **2. Executive Summary**

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- 2.1 The Highways and Transport services and associated contract have continued as a hosted arrangement since Vesting Day, provided by West Northamptonshire Council to North Northamptonshire Council until the conclusion of the re-procurement of new contractual arrangements.
- 2.2 The majority of the Council's highways services are currently provided through a contract with KierWSP, which is hosted by West Northamptonshire Council and is due to end mid September 2022.
- 2.3 The procurement of new arrangements for these services commenced pre-vesting day with approval from Northamptonshire County Council as the authority responsible for the contract, but also in discussion with all predecessor authorities via governance arrangements in place prior to Vesting Day.
- 2.4 Delegated authority to make decisions related to the procurement were previously given to representatives of the County Council, and these delegations were refreshed for West Northamptonshire Council via a Cabinet paper in July 2021. The delegations enabled the procurement to progress until a decision to award the contract was required, with the intention that the award of the contract will be the subject of a further Cabinet report (this report).
- 2.5 The procurement process is being managed jointly by West Northamptonshire Council and North Northamptonshire Council and will result in two contracts being awarded, one for each Council.
- 2.6 The contract resulting from this procurement will be one of the most significant that the Council awards due to its high value and because it provides essential services for all residents. Bidders have been asked to address a number of key Council outcomes as part of their submissions, ranging from the delivery of safe, legal, customer-focused and value for money services through to making tangible contributions to the Council's commitment to Social Value and its response to Climate Change and the Environment.
- 2.7 The procurement process is governed and managed through a robust and systematic programme approach. The procurement has progressed positively through the informal market engagement discussions, followed by the formal selection questionnaire, Invitation to Submit Outline Solution (ISOS), Invitation to Submit Detailed Solutions (ISDS), ISDS Extension<sup>1</sup>, Invitation to Participate in Final Dialogue (IPFD), and Invitation to Submit Final Tender (ISFT) stages.

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<sup>1</sup> Where bidders were asked to consider the costs and quality benefits to West Northamptonshire Council and North Northamptonshire Council of limited co-operation related to the service across Authority areas should they be successful in both Lots.

- 2.8 Three bidders have submitted Final Tenders, which are currently being evaluated and it is anticipated that the Council is in a good position to award a contract at the end of the process.
- 2.9 Therefore, delegated authority to award the contract to the preferred bidder, which will be identified by the application of the evaluation process, is proposed.
- 2.10 The procurement timetable indicates that the contract award will be made in May 2022, in time for the services to commence under the new contract from 12 September 2022.

### **3. Recommendations**

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- 3.1 It is recommended that the Cabinet/Committee:
- a) Notes the continued progress to procure new arrangements for highways and transport services and the readiness to make an award post Final Tender submission and evaluation in May 2022;
  - b) Agrees to delegate authority to the Executive Director Place, Economy and Environment and Executive Director Finance, in consultation with the Portfolio Holder for Environment, Transport, Highways and Waste Services, and the Portfolio Holder for Finance to award the contract.

### **4. Reason for Recommendations**

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- a) The Council has a statutory duty to provide highways services as set out in the Highways Act 1980;
- b) The Council must provide these services and the Council is procuring a new contract in order to do so in the future;
- c) Failure to make an award will have a number of implications for the Council, not least the need to establish and mobilise alternative delivery arrangements from the end of the KierWSP contract in September 2022 and the cost and risk associated with commissioning and /or delivering an alternative solution in the medium to long term;
- d) The delegations requested will enable the procurement process to proceed with appropriate governance through to its conclusion.

## 5. Report Background

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- 5.1 The procurement of new arrangements for these services commenced pre-Vesting Day with approval from Northamptonshire County Council as the authority responsible for the contract, but also in discussion with all predecessor authorities via governance arrangements in place prior to Vesting Day.
- 5.2 The procurement is being conducted via a competitive dialogue process, which has a minimum number of stages which have been tailored to meet the needs of the Council and ensure the best outcome.
- 5.3 Two contracts will be awarded as a result of this single procurement process: one for West Northamptonshire Council and one for North Northamptonshire Council.
- 5.4 The resulting contract for West Northamptonshire will be one of the highest value contracts awarded by the Council (approx. £30m pa) and it provides high profile services which are used by virtually all of the Council's residents and supports the economy. It is therefore very important that the Council conducts a rigorous process to select the best organisation to act as its contractor.
- 5.5 Two separate highways contracts are expected to be more expensive than the current one single contract. The Council has included additional budget from the commencement of the contract to allow for this.
- 5.6 Consideration of residents' needs have been placed at the heart of the procurement process, whilst also balancing the desire for high quality, safe and legally-compliant services and the cost of providing the service.
- 5.7 The evaluation of the tenders is based on an equal weighting (50:50) on price and quality representing the Council's commitment to ensuring value for money whilst maintaining a high quality service for its residents.
- 5.8 The contracts allow for a 7-year core contract period, with potential for extensions to total length of up to 14 years. Extensions comprise up to three years in the first 7-year core period based on performance, and an additional 4-year option at the discretion of the Council.
- 5.9 Prior to the formal procurement process, two 'market engagement' sessions were held with potential suppliers to signal the intention to procure this contract. These sessions enabled prospective bidders to be reassured about the formation of the two new unitary Councils that would result in a change in the procuring organisation part way through the process, which is highly unusual.
- 5.10 The initial stage of the formal procurement process was for prospective organisations to complete a 'Selection Questionnaire'. This step was completed in February 2021. Four bidders progressed to the following stage, which was an Invitation to Submit an Outline Solution (ISOS). ISOS enabled the first opportunity for dialogue sessions with the bidders so the Council could find out more about their potential tender and possible added value.
- 5.11 The ISOS stage was completed on schedule, with bidders' responses received in April and evaluated by the end of May 2021. This timing coincided with the elections. The procurement



process was consequently paused to enable confirmation of the Leader and Executive Members/Cabinet Members in both Councils, who have a key role to play in the governance of the procurement.

- 5.12 There was no 'down selection' of bidders at the end of the ISOS stage, and following further rounds of dialogue, all four bidders submitted detailed costs and quality solutions in September 2021 as part of an Invitation to Submit Detailed Solutions (ISDS). They also submitted a Variant A price setting out potential 'bulk discount' efficiencies were they to be successful in both Lots.
- 5.13 Both Councils also considered wider options to permit the bidders to share some elements of the service delivery across the two authority areas in order to reduce the overall cost of the contracts for each Council. Given the combined value of the individual contracts is expected to be higher than the current single contracts, these financial benefits may result in cost avoidance, rather than cashable savings for each Council.
- 5.14 In order to secure these financial benefits through co-operation, the Councils introduced a focused 'ISDS Extension' phase, where bidders were given a six week window to design and submit an additional integrated solution (a 'Variant B') submission for consideration. A prerequisite of the same bidder being successful in both Lots was implicit to the approach. If that occurred, then a threshold value of a 5% cost avoidance for both Councils (between the otherwise winning bids and the integrated solution submissions) was required to 'trigger' Variant B. In the event, neither criteria were met at the ISDS Extension phase.
- 5.15 The bidder scoring fewest marks in the ISDS/ISDS Extension phase was de-selected in January 2022. The remaining three bidders were invited to Participate in Final Dialogue (IPFD), and an Invitation to Submit Final Tender (ISFT) was issued in early April 2022. Lot 1, Lot 2 and Variant solution options (A and B) remain on the table at Final tender stage, with the same thresholds/rules applied as at ISDS Extension. Final Tenders were received on 19 April and evaluation and moderation (scheduled to be) completed in mid-May 2022.
- 5.16 Award recommendations will be made at conclusion of the evaluation and moderation exercise and it is proposed that the decision to award a contract for West Northamptonshire Council will be made using the delegated authorities which form part of the recommendations within this paper.

## **Governance**

- 5.17 Two contracts will be awarded as a result of this single procurement process: one for West Northamptonshire Council (Lot 1) and one for North Northamptonshire Council (Lot 2). Therefore, Member and officer representatives of both Councils are involved in the governance of the procurement.
- 5.18 A Highways Contract Procurement Steering Group which includes procurement, technical, financial, and legal specialists lead the project on a day-to-day basis. The work of the Steering Group is overseen by a Steering Board, which includes the Executive Directors of Place and the relevant Executive / Cabinet Members for both Councils. The respective Executive Committee / Cabinet in each Council make decisions related to the procurement. Finally, since highways are a hosted service any changes to the hosting arrangements are subject to a decision by the Shared Services Joint Committee.

- 5.19 It is proposed that delegated authority is given to the Executive Director Place, Economy and Environment and Executive Director Finance, in consultation with the Portfolio Holder for Environment, Transport, Highways and Waste Services, and the Portfolio Holder for Finance to take decisions related to the award of the contract and agreeing the service areas which the Council permits the contractor to share across both Councils should they win both contracts, as well as any limits to those sharing arrangements.
- 5.20 The delegations are proposed to enable decisions to be made in a timely manner, and also so that the people taking the decisions have had oversight of the procurement and tenders in sufficient detail to agree to award to the preferred bidder.

#### **Potential for co-operation between the two contracts**

- 5.21 Throughout the procurement, bidders have been keen to emphasise that there are opportunities for economies of scale to both Councils in the event that the same bidder is successful in winning both contracts. This is because of duplication across the two contracts which could be avoided if bidders were permitted to share certain resources across both areas.
- 5.22 Following the formal appointment of Executive / Cabinet Members to both Councils, the Councils, via their Steering Board members, have considered to what extent, if any, they would be prepared to share between the individual contracts to reduce duplication and gain financial benefits for both councils in the event that a single bidder were to be successful in the procurement process. The degree of co-operation would be limited to aspects of the contract which do not reduce the experience or quality of the service experienced by residents but would deliver financial benefits for the Council and its residents. This would enable more funding to be available to spend on the front-line services delivered by the contract which residents do experience and benefit from directly.
- 5.23 As examples, the aspects of the contract which may be acceptable for collaboration that have been discussed include sharing of the contractor's management teams, depots, back office systems, fleet and plant (although branded vehicles would be limited to their respective Council geographies). Discussions between Councils indicated that there was a preference for direct and separate control by each Council of customer and Member-facing communication and engagement, separate key performance indicators tailored for each contract and that each Council should be able to take decisions regarding the extension of the contract independently.
- 5.24 In order to ascertain the extent of potential cost avoidance available due to this co-operation it was necessary for bidders to submit a 'Variant B<sup>2</sup>' bid. Initial indications are that these avoided costs may be around 7% per annum, which for a contract of this size (£30m pa) may result in considerable monetary value. A 5% minimum threshold was agreed in consultation with elected members, which will be a minimum cost reduction that bidders must achieve for both Councils in order for their variant bid to be evaluated by the procurement team. This will ensure that the Councils are receiving an acceptable level of saving in return for giving the bidders the flexibility to share certain elements of the service across the two contract areas.
- 5.25 It is important to note that even if the award of a variant bid were to be the outcome of the procurement process, two separate contracts will be awarded, one for West Northamptonshire

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<sup>2</sup> A 'Variant A' equivalent has been included in the pricing model since ISDS stage to allow bidders to highlight bulk discount savings were they successful in both Lots. Variant B focus on wider integration cost avoidance opportunities.

Council and one for North Northamptonshire Council. In either case, the successful Contractor(s) will be required to agree programmes of work and work priorities with each Council and ring-fence accounting for the use of resources (even if these are shared) so that each Council is correctly invoiced for work carried out. All of the options for co-operation do not affect these aspects which are crucial for each Council's autonomy.

### Concluding the Procurement Process

- 5.26 Final Tender submissions were submitted in April 2022. Bidders produced a bid, including tender prices, for stand-alone contracts for West and North Northamptonshire Councils, which will not include any sharing of resources across the two areas. They also produced a Variant A price (economies of scale for winning both areas) and a Variant B price *and* quality submission (limited degree of service integration between both areas).
- 5.27 Evaluation of the tendered solutions has been in accordance with pre-determined criteria which include awarding 50% of the marks based on price and 50% of the marks based on the quality of the submitted tender.
- 5.28 Identification of the preferred bidder will be made by applying the rules and criteria that were agreed by the Councils and set out in the documents issued to the bidders.

### Timescales

- 5.29 The proposed timetable for the remainder of the procurement is set out in the table below. Following award, the successful provider will be given a 3-month mobilisation period prior to service commencement on 12 September 2022. This aims to ensure the seamless transition of the outgoing contractor to the new contractor

Procurement Stage	Date
Contract Award	June 2022
Mobilisation	June to September 2022
Service Commencement	12 September 2022

**Table 1. Proposed Timetable**

### Management of the New Contract

- 5.30 The new contract will be managed by an enlarged contract management team which will be led by the Service Manager who will be appointed over the summer and will have experience of managing similar NEC4 Term Maintenance Contracts.
- 5.31 The contract contains a tiered approach to performance management including Strategic Indicators which will be used largely to decide if extensions are earned, Tactical Indicators which will be used to manage any deductions to be applied due to poor performance and (in cases of consistent poor performance trigger termination events) and Operational Indicators which will be used to manage day to day performance.
- 5.32 There is an expectation which has been shared with the bidders that there should be a significant improvement in communication with Members, stakeholders and residents to increase transparency and to ensure that the outcomes of the Service are fit for purpose.

Scope and Specification and accompanying performance regime has been drafted to ensure that this comes forward.

## **6. Issues and Choices**

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- 6.1 Statutory duties must be fulfilled through these contractual and hosting arrangements. There is therefore not an option whereby the Council can allow the existing arrangement to expire prior to the new contract commencing.
- 6.2 The Council has formally committed to procure highways services from the market, and the bidders have committed significant resources to the procurement exercise. Withdrawing from the procurement is likely to result in legal challenge from bidders who will seek to recover their costs. Terminating the current procurement exercise and taking a different approach to providing highways services at the end of the current arrangements is not recommended.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

- 7.1.1 The current highways contract was procured 14 years ago, and although the costs have been subject to inflationary increases, it is reasonable to expect that the costs of the new contracts procured will be higher, partly due to the fact that two contracts (one for each Council) are likely to be more expensive than one. There may be economies of scale if Variant A or Variant B is awarded which will partially reduce these anticipated increased costs.
- 7.1.2 The new contract for West Northamptonshire will be one of the highest value contracts awarded by the Council at approximately £30m pa. This includes both revenue and capital expenditure.
- 7.1.3 The anticipated increased costs have been taken into account in the 2022/23 budget setting process. An additional budget has been built into the base budget on a permanent basis for 2023/24, and a one-off amount has been built into the 2022/23 budget to cover the part year effect of the new contract in that year. The additional budget was the best estimate of the additional costs at the time. The Council has also increased the budgets for highways and transport services, including investing in an increased team of officers to manage the contract and provide the services which the Council provides directly.
- 7.1.4 The overall procurement project budget is approximately £1.2m split between Northamptonshire County Council (up until March 2021), West Northamptonshire Council and North Northamptonshire Council.
- 7.1.5 There will be demobilisation costs towards the end of the current contract, an element of which will fall to the Councils. These will be expended within 2022/23 and provision has been made for these costs within the 2022-23 budget.
- 7.1.6 Planning for disaggregation and TUPE transfer of officers from the hosted West Northamptonshire Council arrangements to North Northamptonshire Council have commenced in good time to allow consultation and a smooth transfer to take place. It is the intention that both Councils will have fully disaggregated and independent Highways and Transport teams.

as noted earlier, West Northamptonshire Council has invested in this team to ensure the team has sufficient capacity and resilience.

- 7.1.7 Arrangements are also being finalised to enable the TUPE transfer of operational managers and staff from KierWSP to the new provider(s) on 12 September 2022.

## 7.2 Legal

- 7.2.1 External Advisors, Antony Collins Solicitors, have advised the Council throughout the procurement process, and procurement officers representing both Councils have been involved in the project team. The Council believes the procurement process has been compliant with legal guidance.

- 7.2.2 As noted earlier, if a variant bid which allows for co-operation between Councils is the successful option at the conclusion of the procurement process, then this will be dealt with using the Highways Co-operation Agreement which is to be entered into by both Councils prior to the 19 April 2022 and upon which elected members were consulted at heads of terms stage.

## 7.3 Risk

- 7.3.1 There is a risk of challenge associated with the award from unsuccessful bidders. A robust programme governance and management approach has been applied throughout the procurement, with significant transparency in the process from its inception. In addition, legal advice has been received at each key decision point from Anthony Collins Solicitors in liaison with the Councils' Monitoring Officers.

- 7.3.2 There are risks associated with the procurement programme and these are managed by the Steering Group of Officers who take appropriate mitigating action. Until conclusion of the procurement exercise, the key risks associated with the programme remain:

- Pensions & TUPE liability - relevant officers are supporting the identification and mitigation opportunities.
- Procurement cost/budget - mitigated by regular steering group discussions & management of costs with WNC finance colleagues.
- Maintaining competition amongst bidders. Mitigated by a clear process, regular engagement with bidders etc.

## 7.4 Consultation

- 7.4.1 Elected members have been briefed on and taken decisions regarding the procurement of the new contract since the project was initiated by NCC. This included the involvement of representatives of the shadow authorities via reports, briefings and Members' workshops.

- 7.4.2 Since the formation of the new Councils, relevant Executive / Cabinet Members have been briefed on the procurement and have been involved in the discussions related to the degree of

co-operation between the two contracts, which led to the proposed option for bidders to submit a variant, which may enable cost avoidance. These discussions are enshrined in the Highways Co-operation Agreement between the Councils.

- 7.4.3 It would not be appropriate to consult widely regarding this procurement due to the confidential nature of any procurement process.

## **7.5 Consideration by Overview and Scrutiny**

- 7.5.1 To date, the procurement has not been considered by overview and scrutiny committees.

## **7.6 Climate Impact**

- 7.6.1 Each of the bids are evaluated on their contributions towards Social Value, including climate change and environmental considerations. Together these equate to 15% of the quality scores in the award process (7.5% Social Value and 7.5% Climate Change & the Environment).
- 7.6.2 The new contractor will have set out a set of proposals around how they can directly and indirectly support achievement of the Council's net zero commitment by 2030.

## **7.7 Community Impact**

- 7.7.1 Throughout the dialogue process the procurement team have highlighted the need for the bidders to respond to the challenge of ensuring that residents', stakeholders' and Members' needs are taken into consideration alongside the more technical aspects of the service delivery. This has been reflected in bidders' responses and it is intended that this will lead to a service that is aligned to those needs to a greater extent than the at present.

## **7.8 Communications**

- 7.8.1 West Northants Communications team have published regular updates throughout the procurement process to help keep members informed about progress.
- 7.8.2 Once the preferred bidder is selected and the 'standstill' period is completed then the Council will be able to make an announcement about its new contractor.
- 7.8.3 An all members briefing will be arranged during the mobilisation period to inform members about the new contract.

## **8. Background Papers**

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- 8.1 Northamptonshire County Council Cabinet paper – Highways Contract Update – 12 November 2019.
- 8.2 West Northamptonshire Council – 13 July 2021 Cabinet - Highways Contract Procurement Update.



# WEST NORTHAMPTONSHIRE COUNCIL

## CABINET

3 May 2022

### CABINET MEMBER WITH RESPONSIBILITY FOR HR & CORPORATE SERVICES: COUNCILLOR MIKE HALLAM

<b>Report Title</b>	<b>Modern Income Management Solution</b>
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<b>Report Authors</b>	<b>Peter Borley-Cox, DTI</b> <a href="mailto:Peter.Borley-Cox@westnorthants.gov.uk">Peter.Borley-Cox@westnorthants.gov.uk</a>  <b>Michal Selke, DTI</b> <a href="mailto:Michal.Selke@westnorthants.gov.uk">Michal.Selke@westnorthants.gov.uk</a>
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<b>Other Director/SME</b>	Sarah Reed	14 April 2022
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### List of Appendices

None

## **1. Purpose of Report**

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- 1.1 The purpose of this report is to provide information and background regarding the proposal to procure a modern Income Management Solution for West Northamptonshire Council and its partners in Cambridgeshire County Council, Milton Keynes Council and North Northamptonshire Council and to seek Cabinet approval to:
- a) Complete the procurement and award of contract of the Income Management Solution - contract value of over £500k therefore requires a key decision from the Cabinet
  - b) Delegate authority to Executive Director Corporate in consultation with Cabinet Member for HR & Corporate Services to award the contract to the identified best fit supplier.

## **2. Executive Summary**

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- 2.1 The Income Management Solution is a business-critical application used to collect, allocate, manage, and reconcile payments collected via telephone, over the internet, using a Chip & Pin device, cheques and cash, or paid directly into the organisation's bank accounts.
- 2.2 It is also one of the main touch points for service users to access, procure or pay for council services and is used to support payments for Council Tax, National Non-Domestic Rates, Registrars, Libraries and Adults Social Care to name a few.
- 2.3 Contracts for the Income Management Solutions inherited by West Northamptonshire Council, as well as contracts in place for other authorities listed in this proposal, are nearing expiry and need to be replaced by the 1<sup>st</sup> of April 2023. As the contracts have already been extended, a competitive process needs to be observed for all the partner organisations.
- 2.4 West Northamptonshire Council will be the Lead Authority for the procurement and contract on behalf of itself, Cambridgeshire County Council, Milton Keynes Council and North Northamptonshire Council. This approach has been endorsed by the relevant representatives of each council and follows through from the similar arrangement for provision of an accounting software and back-office support for it.
- 2.5 The proposed contract duration is up to four (4) years (initial term of 2 years plus the option to extend twice at 12 months each) with a total contract value estimated at £4.25M. The share of a cost attributed to West Northamptonshire Council is £1.34M over the lifetime of the contract.
- 2.6 The following funding sources has been identified for the West Northamptonshire Council:
- a) Existing budgets – covering project management and part of ongoing costs
  - b) Business Rates Pilot – covering development, supplier and backfill costs
- 2.7 Similar to West Northamptonshire Council, other authorities are following their respective governance and approval processes for the spend and have now confirmed availability of funding.



- 2.8 Scope of this project is not a like for like replacement, additional technical capability is required for maintaining West Northamptonshire Council's compliance with payment card industry standards is being sourced as a part of the proposal triggering increase in cost.
- 2.9 Resource cost, including backfills, relating to the design, development and project management has been equally divided between the participating partner organisations. Whilst the supplier costs, subscription and transactional fees will be attributed directly to the council that has incurred them.
- 2.10 Income Management Solution is an essential requirement to allow the council to successfully collect and manage its income. Successful implementation of the proposed solution will provide a consistent experience for the service users across a range of devices and channels also being a key enabler for driving digital transformation of areas requiring payments and supporting the customer services strategy.
- 2.11 The council will immediately benefit from Robotic Process Automation in the Income Management processes allowing for higher degree of automation enabling staff to focus on unallocated income, greatly reduced burden of maintaining compliance with payment card industry standards by adopting adequate technological solutions and ensuring that relevant public and staff facing documents and interfaces adhere to the latest accessibility guidance. Work will continue identifying further efficiencies and benefits.
- 2.12 Furthermore, due to its flexible and scalable nature, the new Income Management Solution will enable further work on harmonisation, streamlining and optimisation of processes and services past the 1<sup>st</sup> of April 2023.

### **3. Recommendations**

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- 3.1 It is recommended the Cabinet:
- a) Complete the procurement and award of contract of the Income Management Solution - contract value of over £500k therefore requires a key decision from the Cabinet; and
  - b) Delegate authority to Executive Director Corporate in consultation with Cabinet Member for HR & Corporate Services to award the contract to the identified best fit supplier

### **4. Reason for Recommendations**

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- 4.1 Expiry of the incumbent contracts – all contracts expire in 2023 without the ability to extend any further. A competitive process needs to be followed to ensure continuity of the functionality required of income management systems, whilst creating an opportunity to harmonise and modernise the income management systems inherited by West Northamptonshire Council.
- 4.2 Economies of scale – by choosing to implement the Income Management Solution with partners, implementation and support costs can be shared, providing better value for money for the taxpayer. Furthermore, expertise and experience gained from partner organisations can be used to benefit citizens of West Northamptonshire Council.

## 5. Report Background

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- 5.1 Income Management Solution software plays a pivotal role in the successful operation of any Local Authority. It is a business-critical application used to collect, allocate, manage, and reconcile payments collected via telephone, over the internet or using a Chip & Pin device, as well as cheques and cash received or paid directly into the organisation's bank accounts.
- 5.2 It is also one of the main touch points for service users to access, procure or pay for council services and is used to support payments for Council Tax, National Non-Domestic Rates, Registrars, Libraries and Adults Social Care to name a few.
- 5.3 Furthermore, the application is used to enable data exchanges between the line of business systems responsible for General Ledger, Council Tax and National Non-Domestic Rates to name a few.
- 5.4 On Vesting Day, West Northamptonshire Council inherited four Income Management Systems currently used to independently deliver Income Management functions to the West Northamptonshire Council's predecessor Councils, creating complexities and overheads to the council. The contracts for these inherited Income Management Systems are due to expire between March and July 2023.
- 5.5 The following solutions are currently in place:
  - c) ex-Northampton Borough Council and ex-Northamptonshire County Council services use CivicaPay based systems provided by Civica Ltd.
  - d) ex-Daventry District Council and ex-South Northants Council services use Pay360 (AIM) based systems provided by Capita plc.
- 5.6 These contracts cannot be extended beyond the maximum term (March and July 2023) due to exceeding the thresholds for Total Contract Value (i.e. all money spent on a contract including licensing, professional services, staffing costs, utilities) imposed by the Public Contracts Regulations 2015. If no action is taken, the council's ability to effectively collect and manage income will cease with the contract expiry.
- 5.7 In September 2021, an Outline Business Case was presented to and endorsed by the representatives of the partner organisations- who have agreed to participate in the shared services model for this initiative.
- 5.8 G-Cloud 12 framework has been identified as a procurement vehicle that would best fit with the ambitious time frames the project has to work with.
- 5.9 This framework has been established by the UK Government's Crown Commercial Services and enables public bodies to contract with suppliers which have been through nationally run competitive processes, without the need to go through their own full tender exercise.
- 5.10 This means that the councils are able to save time and cost whilst still ensuring that they are contracting for the best solution and optimising value for money.

- 5.11 In January 2022, the Full Business Case, identifying a best-fit supplier, was presented to the same body and subsequently gained their endorsement, allowing the Project to progress to the next stage which is this Cabinet report.
- 5.12 The following recommendations were endorsed:
- a) Award the contract to the best fit supplier using a G-Cloud 12 framework
  - b) West Northamptonshire Council is to be the Lead Authority for the procurement, as it will be responsible for the delivery of the implementation project, and ongoing support and maintenance of the system under the Lead Authority Shared Service arrangements with Cambridgeshire County Council, Milton Keynes Council and North Northamptonshire Council
- 5.13 This is not a like for like replacement, additional technical capability is required for maintaining West Northamptonshire Council's compliance with payment card industry regulations is being sourced as a part of the proposal triggering increase in cost.
- 5.14 Furthermore, the proposed solution allows the council to address the need to replace another inherited shared service system which is out of support and at the end of life - BizTalk. This system is currently used to manage data exchange and transformation between business-critical finance systems (e.g. raising invoices and payments for Adult Social Care).
- 5.15 The best fit solution offers a well-developed data transformation capability which will enable the council to phase out the use of BizTalk, whilst providing significant advantages:
- a) Software as a Service model – updates and upgrades included
  - b) Full disaster recovery
  - c) Removing reliance on external support for development.
- 5.16 It is estimated that this approach will enable cost avoidance of £20k per authority per year for the duration of the contract, which otherwise would need to be spent on licensing fees for a standalone middleware system.

## **6. Issues and Choices**

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- 6.1 The purpose of this project is to identify, procure and implement a modern, fit for purpose Income Management Solution for the partner organisations. The Income Management Solution is expected to adopt use of modern technologies to provide cost savings, leverage economies of scale and scope, and remove waste from relevant processes. The Income Management Solution needs to be in place by 1st of April 2023.

6.2 In order to address the key issue faced by the partner organisations of being able to effectively collect, manage and allocate income after the 31<sup>st</sup> of March 2023, an Options Appraisal has been conducted, results of which are summarised below:

6.3 **Option 1 – Shared Income Management Solution**

6.3.1 This option would see West Northamptonshire Council pool their resources with partner organisations with whom they currently share Accounting System and back-office support teams to procure, develop and implement an Income Management Solution benefitting from economies of scale and scope, and accumulated expertise and knowledge across all partner organisations.

6.3.2 This option was recommended having scored the highest in the Options Appraisal.

6.4 **Option 2 – Individual Income Management Solution**

6.4.1 This option would see West Northamptonshire Council independently procure, develop, and implement an Income Management Solution for sole use of the council. Technically, this is equally as viable as Option 1, however, it does not offer the opportunity for additional efficiencies and the benefits of economies of scale and therefore would result in reduced long term cost savings. West Northamptonshire Council would be fully responsible for the procurement, development, implementation and ongoing support of the solution and therefore incur the whole burden of the cost.

6.5 **Option 3 – Extend Existing Contracts**

6.5.1 West Northamptonshire Council to extend the contracts with the incumbent suppliers.

6.5.2 This option was deemed not viable as West Northamptonshire Council will be in breach of Public Contract Regulation 2015 opening them to challenge from prospective suppliers denied the opportunity to bid for the business.

6.6 **Option 4 – Do Nothing**

6.6.1 This option was deemed not viable as after the current contracts expire in 2023, West Northamptonshire Council would lose the ability to effectively receive, manage and allocate monies from their service users.

6.7 **Options Analysis**

6.7.1 Summary of Options Appraisal Results

Option	Score
Option 1 – Shared Solution	70
Option 2 – Individual Solutions	65
Option 3 – Extend Contracts	20
Option 4 – Do Nothing	20

6.7.2 The criteria for the appraisal undertaken are:

1. Adherence to legal requirements (Public Contract Regulation 2015)

2. Continuity of service for Income Management
3. Project resource available to undertake the work
4. Business resource available to deliver the project
5. Influence over the direction of Income Management System
6. Best value for money
7. Modern Disaster Recovery and Security
8. Tailored to modern needs

6.7.3 The criteria have been scored using the point system below (no additional weighting applied):

- 10 – option fully meets the criterion
- 5 – option partially meets the criterion
- 0 – option does not meet the criterion

6.7.4 Option 3 – Extend Existing Contracts and Option 4 – Do Nothing has been ruled out due to not fulfilling the legal requirements and negative impact on the partner organisations respectively. Option 2 – Individual Solutions has been discarded as it does not provide the benefits of economies of scale, has reduced potential of long-term savings and attracts higher one-off costs.

6.7.5 Option 1 – Shared Income Management Solution gained endorsement from the representatives of the partner authorities.

6.7.6 The Project team have validated, and prioritised business requirements identified with the partners organisations subject matter experts and used those to identify a best-fit supplier using the G-Cloud 12 framework. This approach was presented to and endorsed by the partner organisation representatives and resulted in identification of a single best-fit supplier that meets the business requirements set.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

7.1.1 Total contract value associated with this proposal is £4.25M. Resource cost, including backfills, related to design, development and project management has been equally divided between the participating partners. Supplier costs, subscriptions and transactional fees can be attributed directly to the council that has incurred them, which has been done.

7.1.2 Resulting cost split per partner authority below (£000):

<b>Authority</b>	<b>Cost</b>
West Northamptonshire Council	1,337
North Northamptonshire Council	1,390
Milton Keynes Council	978
Cambridgeshire County Council	545
<b>Total:</b>	<b><u>4,250</u></b>

7.1.3 All partner organisations have confirmed availability of funding to cover their share of cost and are following appropriate governance.

7.1.4 The cost profile for West Northamptonshire Council is presented below (in £000):

	Current Year		Forecast		
	2021/22	2022/23	2023/24	2024/25	2025/26
<b>One-off Costs</b>					
Project & Development	41	509	91	-	-
Staff Backfill	3	105	4	-	-
Contingency	-	75	18	-	-
	-	-	-	-	-
<b>Operational Costs</b>					
Incumbent Licensing	-	-	(103)	(103)	(103)
New Solution Subscription	-	-	160	165	165
<b>Subtotal:</b>	-	-	56	62	62
	-	-	-	-	-
<b>Net Budget Impact</b>	<u>44</u>	<u>690</u>	<u>170</u>	<u>62</u>	<u>62</u>
	-	-	-	-	-
<b><u>Unbudgeted (Cost Avoidance)</u></b>	-	-	-	-	-
Integration Solution	-	-	(20)	(20)	(20)

7.1.5 The following funding sources have been identified for the West Northamptonshire Council cost of the project:

- a) Existing budgets – covering project management and part of operational costs
- b) Business Rates Pilot – covering development, supplier and backfill costs

7.1.6 Starting from financial year 2023/24 additional funding of £56k, increasing to £62k per annum will need to be incorporated in mid-term financial plan as a part of budget setting process.

7.1.7 Due to consolidating requirements with the replacement of middleware solution, the council are able to keep this increase in cost lower by avoiding having to license and implement a standalone solution.

7.1.8 Summary of West Northamptonshire Council funding (£000)

<b><u>Funding Source Summary</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>	<b><u>2025/26</u></b>	<b><u>Sum</u></b>
Existing Budgets	34	210	162	103	103	612
Business Rates Pilot	10	480	55	-	-	545
Additional Budget	-	-	56	62	62	180
					<b>Total</b>	<b><u>1,337</u></b>

7.1.9 Additional efficiencies, both cashable and non-cashable, are likely to be identified and quantified throughout the course of the implementation providing added benefits to West Northamptonshire Council on top of the continuity of the service.

## 7.2 Legal

7.2.1 The Crown Commercial Services G-Cloud 12 Framework is compliant with the Public Contract Regulation 2015 and a supplier can be appointed to undertake the provision, implementation, and support of the Income Management Solution as set out in this report. The appointment costs

comply with the G-Cloud frameworks processes, it must be fair and transparent, and an audit trail must be maintained. Under the G-Cloud framework it is possible to call-off and apply a direct award if the framework evaluation criteria have been correctly applied.

7.2.2 The council will be required to carry out its own due diligence on the proposed appointment to ensure that the procurement process has been in compliance with the G-Cloud framework requirements and undertaken with the highest standard of integrity, and the best fit supplier's solution meets the council's detailed requirements, remains in budget and provides best value.

7.2.3 The council is procuring the Income Management Solution with Cambridgeshire County Council, Milton Keynes Council and North Northamptonshire Council. The contractual arrangement for the joint procurement with the partner organisations must provide for clarity as to the roles, responsibilities, and obligations, including management/monitoring of performance, how the costs will be apportioned and how the invoicing and payments will operate together with appropriate indemnities to address exposure to any risks.

### 7.3 Risk

#### 7.3.1 Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
<b>Unmoveable deadline</b>		
No flexibility exists within the timeline, fit for purpose income management system needs to be operational and embedded by the 31 <sup>st</sup> of March 2023.	Ensure visibility of the project and support on all levels of organisation with delivery to the deadlines imposed by the contract expiry in March 2023.	Amber

#### 7.3.2 Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
<b>Disruptions to Income Flow</b>	
Services and service users reliant on the Income Management Software are likely to experience severe disruptions surrounding ability to take card payments resulting in a loss of income as well as timely allocation of received income potentially resulting in actions being taken against service users.	Red

### 7.4 Consultation

7.4.1 There is no need for consultation arising from the proposal.

### 7.5 Consideration by Overview and Scrutiny

7.5.1 Overview and Scrutiny have not considered this issue.

## **7.6 Climate Impact**

7.6.1 In common with most big scale computer systems, the key climate impact is from the data centre where the system is hosted. The proposed Income Management Solution supplier hosts the system in Microsoft's UK data centres.

7.6.2 Microsoft has been carbon neutral since 2012 and is committed to being carbon negative by 2030, with the commitment by 2050 to remove all the carbon it's directly emitted since its founding in 1975.

7.6.3 We will continue to engage with the supplier during the life of the contract to ensure that climate impact is seen as a key consideration for the Council and its partners.

## **7.7 Community Impact**

7.7.1 There are no further community impacts other than those discussed elsewhere in this report.

## **7.8 Communications**

7.8.1 The Communications Team has assessed this document for accessibility.

## **8. Background Papers**

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8.1 **None**



# WEST NORTHAMPTONSHIRE COUNCIL

## CABINET

3 MAY 2022

### CLLR FIONA BAKER – MEMBER FOR FAMILIES AND EDUCATION

<b>Report Title</b>	<b>Proposal to establish a 50 place Special Educational Needs &amp; Disability (SEND) unit for pupils with a primary need of Autistic Spectrum Condition (ASC) at Hunsbury Park Primary School, Northampton</b>
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<b>Report Author</b>	<b>Chris Kiernan, interim Director of Children's Services, <a href="mailto:Chris.Kiernan@westnorthants.gov.uk">Chris.Kiernan@westnorthants.gov.uk</a></b>
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<b>Communications Lead/Head of Communications</b>	Gavin Moore	22/04/2022

### List of Appendices

None

### 1. Purpose of Report

- 1.1. The purpose of this report is to provide Cabinet Members with all relevant information to allow for a fully informed decision on this proposal to be made.

### 2. Executive Summary

- 2.1 This report provides details relating to the demand for SEND places and lack of available capacity within specialist settings in West Northamptonshire that is currently being experienced. The report provides details relating to the impact this situation is having on children and young people in receipt of an Education, Health & Care (EHC) Plan that reside in the area and the impact this has on WNC education budgets.
- 2.2 The report provides further details relating to the future demand for SEND places and that the current trend of increasing demand is forecast to continue in future academic years.
- 2.3 The report references WNC's plans to address the issues caused by the increasing demand for SEND places and the specific benefits that could be realised via the provision of a new SEND unit at Hunsbury Park Primary School.

### **3. Recommendations**

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- 3.1 It is recommended that the Cabinet/Committee:
  - a) Approve the publication of the statutory notice of its intent to establish a new, 50 place, SEND unit catering to pupils with a primary need of ASC, at Hunsbury Park Primary School.
  - b) Notes that following the publication of the statutory notice a four week period of consultation on this matter will commence.
  - c) Notes that a further, final decision will be required in July as to whether or not to establish the proposed SEND unit at Hunsbury Park Primary School.

### **4. Reason for Recommendations (NOTE: this section is mandatory and must be completed)**

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- The proposal will help ensure that the Council is able to fulfil its statutory obligation of providing a sufficiency of SEND places within West Northamptonshire.
- The proposal will provide an increased number of SEND places and will help ensure that children with additional needs are able to access education in a provision that is best placed to meet their individual needs.
- The proposal can be considered to benefit all West Northamptonshire primary schools as it will reduce the need for mainstream school settings to provide places to children with additional needs where that provision is not best placed to meet a child's additional needs.
- The recommended course of action is the most cost-effective and will reduce pressure on the High Needs Block (HNB) element of the Dedicated Schools Grant (DSG) via a reduction in the number of children being required to be placed in more expensive out of county and independent provisions to meet their individual needs.
- The Council and its customers will receive the maximum benefit from the option proposed.

### **5. Report Background**

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#### Current demand for specialist places within West Northamptonshire

- 5.1 All current specialist provisions located within West Northamptonshire have reached or exceeded their notional capacity figures i.e. the total number of children and young people that should be attending any given provision.
- 5.2 As a result of this, WNC has been forced to utilise out of county and independent specialist provisions to ensure that it has been able to fulfil its statutory obligation of providing a sufficiency

of SEND places. However, demand has dictated that, with very limited exceptions, all capacity within the independent sector that are used by WNC has now been consumed.

- 5.3 The result of this increase in demand and almost total consumption of all available SEND capacity is as follows;
- A clear and immediate risk that WNC will be unable to fulfil its statutory obligations of providing a sufficiency of SEND places in the area.
  - That pupils are being forced to be maintained within an education setting that is not best placed to meet their individual needs (such as a mainstream school setting).
  - That pupils are unable to access an education setting in a timely manner and are without a school place.
- 5.4 The biggest individual drivers of the increased demand for places within a specialist setting are primary aged pupils with a primary need of Autistic Spectrum Condition (ASC) and secondary aged students with a primary need of Social, Emotional & Mental Health (SEMH).
- 5.5 Action is required to address the wider shortage of specialist places within West Northants and specifically to provide more specialist places that will cater for the needs and cohorts of pupils detailed above.
- 5.6 The placement of pupils and students with an EHC plan in an out of county or independent provision is more costly than placing a child or young person within a specialist provision in the LA maintained or academy sector and this situation is placing an increasing pressure on the High Needs Block (HNB) of the Dedicated Schools Grant (DSG).
- 5.7 The HNB of the DSG overspent by £2.5m in the 21/22 financial year and action is urgently required to address this particular issue and reduce spend against the HNB. The main method of doing this is via the provision of additional SEND places in the LA maintained and academy sector within West Northants that reduces the requirement to use places within the independent sector.
- 5.8 As of January 2020, WNC had been required to place 174 pupils in an independent specialist setting, this number of placements represents an annual pressure to the HNB of the DSG of £9.188m annually at an average cost of £56,778 per place.

#### Future demand for specialist places within West Northamptonshire

- 5.9 Pupil projection forecasts relating to the future demand for SEND places within West Northants indicate that the total number of pupils and students in receipt of an EHC Plan will increase by 521 pupils (25%) from 2,126 to 2,647 in the period between January 2020 and 2025.
- 5.10 The number of pupils in receipt of an EHC plan with a primary need of ASC is forecast to increase from 756 to 1055 pupils (299 pupils or 40%) in the same period. Pupils with a primary need of ASC will be the biggest drivers of future demand for specialist places in the period ending January 2025.

- 5.11 The provision of additional specialist places catering to pupils with a primary need of ASC will be essential in terms of WNC's future ability to fulfil its statutory obligations in respect of providing a sufficiency of SEND places within the area and to reducing pressure on the HNB of the DSG.

#### Future plans to provide additional specialist places

- 5.12 To address the current and future shortage of specialist places within West Northants, WNC has plans to deliver in excess of an additional 500 new SEND places across the area in the coming academic years.
- 5.13 WNC's 'SEND Sufficiency Strategy' can be divided into two distinct tranches. The first tranche aims to deliver up to 259 new SEND places by September 2023 and aims to address the current deficit of specialist places. The proposal to establish a 50 place SEND unit at Hunsbury Park Primary School, catering to pupils with a primary need of ASC, forms a key part of these tranche 1 works.
- 5.14 The tranche 1 works will consist of the establishment of SEND units attached to mainstream schools (such as this proposal) and extensions to existing special schools located within West Northants.
- 5.15 The planned tranche 2 works will be comprised of the delivery of a brand new, 250 place, all-through special school to serve West Northamptonshire. The aim is to deliver this new provision by September 2025 (or earlier if possible).
- 5.16 The capital funding required for the tranche 1 works will be provided entirely via capital grant allocations provided by the Department for Education (DfE) specifically for the purpose of creating new SEND places.

## **6. Issues and Choices**

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- 6.1 Do nothing: This option would result in the failure of WNC fulfilling its statutory obligation of providing a sufficiency of SEND places in West Northamptonshire. It would also result in the requirement to utilise places in increasingly distant and more expensive places within the independent sector, which would place a further strain on the HNB of the DSG. If WNC cannot demonstrate that it is able to manage its DSG allocation in a balanced position (or have plans to do so) this would result in intervention by the DfE. This option would have also prevented WNC from addressing issues relating to the timely provision of places in an appropriate setting for pupils in receipt of an EHC plan. This option was discounted for these reasons.
- 6.2 To provide the additional SEND places at another education setting: WNC officers have engaged in discussions with a significant number of area schools relating to the possible provision of additional SEND places. However, a number of important criteria must be considered and met before a setting can be considered suitable to provide SEND places;
- The setting/operator must have the relevant expertise or proven track record of delivering a successful SEND provision;
  - The setting must be willing to provide places that would meet the type of need specified by WNC;

- The capital cost of the proposed scheme must be cost effective and meet value for money considerations;
- The school must be located in or close to the areas of highest demand for SEND places (to reduce home to school transport costs);
- It must be possible to deliver new capacity at the setting by September 2022 (ideally) or September 2023 (at the latest);
- The school must have the physical space available to accommodate an increased number of pupils on its site.

6.3 Whilst WNC is looking to provide additional SEND capacity at 12 other settings as part of the tranche 1 works, the criterion identified above are limiting factors and not all settings within West Northamptonshire are suitable to provide new SEND capacity in the timeframe it is required.

6.4 To provide the additional SEND capacity at Hunsbury Park Primary School: Hunsbury Park Primary School and WNC officers have worked collaboratively to develop plans to establish a new SEND unit at the school for a significant period of time and the school meets all of the criteria detailed above. The school already successfully operates a smaller SEND unit and its Senior Leadership contains significant experience of working within specialist settings.

6.5 The greatest amount of current and future demand for SEND places in West Northants arises from Northampton town, in which the school is located. Being located to the south of the town also means the school is more accessible than other existing provisions to residents of South Northants, which will reduce home to school travel times for any pupil residing in this area that may access the provision.

6.6 It is planned that an existing area of the school buildings will be remodelled and refurbished during the Summer of 2022 to provide up to 30 new SEND places from September 2022. The remaining 20 places will be provided via the provision of a brand new and purpose built modular building that will open from September 2023. The whole scheme is anticipated to cost £1.1m or £22,000 per place created. This 'per place' cost compares very favourably with industry benchmarks of up to £80,000 per place.

6.7 Whilst it is not possible to identify the exact amount of revenue funding the school will receive for the new SEND unit until such a point that the cohort of pupils who will attend the school have been identified (as funding is linked to individual pupils) an average cost of £20,000 per pupil can be used for comparative purposes. When compared to the average cost of placing a pupil in the independent sector of £56,778, the establishment of the proposed unit at Hunsbury Park Primary School can be considered to provide a cost avoidance benefit to the HNB of the DSG of £1,103,640 in its first year of operation and £1,839,400 thereafter.

6.8 It is for the reasons stated above that the WNC seeks to establish a new SEND unit at Hunsbury Park Primary School.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

- 7.1.1 The capital expenditure required for the planned tranche 1 works identified in section 5.13 of this report was approved by WNC's Cabinet in February/March 2022 at a total cost of £6.43m. As stated previously, all of the capital funding required for the tranche 1 works has (or will be provided) by the DfE via ring-fenced grant allocations. The planned works at Hunsbury Park Primary School will cost £1.1m.
- 7.1.2 The proposed scheme will provide a cost avoidance benefit to the HNB of the DSG as detailed in section 6.7 of this report. It will also provide the opportunity for any pupil that has been placed in an independent setting to return (via the EHC plan annual review process) which would further reduce the cost of the HNB of the DSG.
- 7.1.3 This proposal can be considered to be fully financed from both a capital and revenue perspective.
- 7.1.4 Hunsbury Park Primary School forms part of the Northampton PFI contract. Under the contract all capital construction works at a PFI school must be delivered via Amey, the contractor which manages the PFI contract. All necessary resources for the delivery of the planned construction works will be provided by Amey and WNC's PFI team and the scheme can be considered to be fully resourced.

## **7.2 Legal**

- 7.2.1 The manner in which any LA can establish a new SEND unit at a maintained school is defined in the DfE guidance booklet, 'Making significant changes (prescribed alterations) to maintained schools' and prescribed in the 'The School Organisation (prescribed alterations to maintained schools) Regulations 2013'. The statutory process is provided in section 7.4 of this report. WNC will fully comply with the required statutory process.

## **7.3 Risk**

- 7.3.1 There are no significant risks arising from the a decision to issue a public notice of WNC's intent to establish a new SEND unit at Hunsbury Park Primary School and to launch a four week period of consultation on the proposal.
- 7.3.2 A full exploration of the risks associated with the proposal will be provided in the report that is scheduled for July's Cabinet meeting for a final decision on this proposal, following the completion of the statutory consultation process.
- 7.3.3 There are significant risks attached to a decision not to proceed with this proposal at the current time, these risks would relate to WNC's ongoing ability to fulfil its statutory obligations of providing a sufficiency of SEND places and compromise its ability to allocate specialist school places to pupils in receipt of an EHC plan in a timely manner, from September 2022 onwards. It would also prevent the cost avoidance benefits to the HNB of the DSG identified in section 7.1.2 being realised.

## **7.4 Consultation**

- 7.4.1 The statutory process that governs school organisational changes of this nature is prescribed in the 'The School Organisation (prescribed alterations to maintained schools) Regulations 2013'

This process and the dates on which various work streams associated with this proposal will be progressed/completed is provided below for reference.

Stage	Description	When/How?
1	Publication of statutory notice of intent to establish new SEND unit	Decision made at WNC Cabinet meeting on 3rd May 2022. Publication of statutory notice - 19th May 2022
2	Representation (formal consultation)	Statutory period of 4 weeks: 19th May - 16th June 2022
3	Decision	To be made at the WNC Cabinet meeting scheduled for 12th July 2022
4	Implementation	New SEND unit (partially) opens from 1st September 2022 (if approved)

7.4.2 Whilst the DfE guidance booklet ‘Making significant changes (prescribed alterations) to maintained schools’ does not specify a set of statutory consultees, WNC intends to consult with the following stakeholders;

- The Governing Body of Hunsbury Park Primary School;
- Staff at Hunsbury Park Primary School;
- Parents of Hunsbury Park Primary School;
- Local schools;
- Local Academy Trusts;
- Local Councillors;
- The local MP;
- Local Diocesan Authorities;
- Any other stakeholder as appropriate.

7.4.3 As required by the statutory process, a brief notice of how to access the full statutory notice and containing details of how to respond to the consultation on Thursday 19<sup>th</sup> May.

## 7.5 Consideration by Overview and Scrutiny

7.5.1 N/A

## 7.6 Climate Impact

7.6.1 The decision to issue a public notice of WNC’s intent to establish a new SEND unit at Hunsbury Park Primary School and launch a four week period of consultation on the proposal has no related climate impact. Should the proposal be given approval to progress

## **7.8 Community Impact**

- 7.8.1 The decision to issue a public notice of WNC's intent to establish a new SEND unit at Hunsbury Park Primary School and launch a four week period of consultation on the proposal does not have a direct community impact. However, the wider proposal to establish a SEND unit at the school will have a significant positive impact on the community by allowing the timely allocation of a specialist school place in the local area.

## **7.9 Communications**

- 7.9.1 N/A

## **8. Background Papers**

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- 8.1 None.