CABINET

Meeting held on 2nd April 2019
in Council Chamber, Newham Town Hall, East Ham, E6 2RP

Present: Rokhsana Fiaz OBE (Chair)

Cabinet Members
Councillors John Gray, Charlene McLean, Julianne Marriott, Susan Masters, Terry Paul, Sarah Ruiz and Rachel Tripp

Cabinet Assistants:
Councillors James Asser, Carleene Lee-Phakoe and Firoza Nekiwala

Other Members: Councillor Daniel Blaney

The meeting commenced at 6.03 p.m. and closed at 7.29 p.m.

1. Apologies for Absence

   Apologies for absence were received from Councillors Zulfiqar Ali, James Beckles and Shaban Mohammed and Katherine Kerswell, Interim Chief Executive.

2. Declarations of Interest

   There were no declarations of interest.

3. Minutes

   The minutes of the Cabinet meeting held on 5 March 2019 were agreed as a correct record.

4. Appointments to Outside Bodies

   There were no appointments to outside bodies made at the meeting.

5. Youth Provision: Expanding and enhancing the universal youth work offer in Newham

   Cabinet considered this report which sought approval to consult on how to progress the expansion of the youth offer in the borough from April 2019. This would meet the requirements of the Education Act 1996. Under s507B the Council has a duty, so far as is reasonably practicable, to secure sufficient educational and recreational leisure-
time activities for

(1) people over 13 and under 20; and

(2) people over age of 20 and under 25 with a learning difficulty or disability.

S507B also provides that the Council should consult about whether that provision should be made by the Council itself or be secured through third parties, or a mix of the two.

It was proposed to consult on the basis that the Council’s currently preferred option was for the Council to deliver these expanded services in house and the Council had worked up proposals for in-house delivery.

Councillor Ruiz introduced the report advising that the report provided details of how the funding agreed at Council would be spent. She added that the proposal would also add to the vision that children should have access to the best youth service provision.

In response to questions from Members, the Presenting Officer stated that this would ensure continuity of service until the current contract came to an end. She added that the East Ham area would form the next stage of a mapping exercise on developing the youth offer.

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) That £1.4m should be approved for the purpose of an expansion of the youth offer in the borough for the financial year 1 April 2019 to 31 March 2020;

ii) To consult in the terms set out in Appendix 1 on whether the proposed expansion in Youth Services should be delivered by the Council and/or by others, with the currently preferred option being that the Council should secure it.

iii) That following consultation, the decision as to whether the expansion of the Youth Service should be secured by the Council and/or others is delegated to the Director responsible for Youth Services in consultation with lead member for Children’s and Young People’s Services; and

iv) The implementation of the expansion of the Youth Service following steps 2.1 -3 above is delegated to the Director responsible for Youth Services, including the detail of how any Council provision should be made.
Alternatives considered

Do nothing

- The universal youth offer would not be enhanced
- Opportunities to support additional young people would be lost
- Opportunities to spot problems early would be missed which would potentially lead to costs further up the system

Create a new targeted youth support function

- This would not enhance the universal youth offer
- This would reach only a small proportion of Newham’s young people
- Early help services are already in place to meet the needs of families with teenagers

Invest in ‘positive activities’ such as leisure activities, culture and sports

Leisure and other activities have clear positive value; however they do not necessarily secure significant relationships with skilled adults. These relationships are considered to be key in the development of young people’s social and emotional capabilities, which, in turn, create the positive impacts intended to be delivered through these proposals

6. Oracle Cloud Upgrade (Fusion) and Application Implementation Support

Cabinet considered this report which sought approval to award a contract in relation to the upgrade from the current Oracle Corporate Enterprise Resource Planning (ERP) System platform moving it to the next generation platform known as Fusion which was Oracle’s name for its Cloud product. The Council uses Oracle ERP software to manage business critical functions such as paying staff and suppliers.

Councillor Paul introduced the report advising that Oracle had advised that there would be no future investment into the current product. He added that the proposal would save money and provide a better system for the Council.

The Mayor raised her concerns over the situation the Council found itself in with this contract and wondered why the Council was in this situation. In response Councillor Paul stated that the project would be monitored properly.

For the reasons set out in the report Cabinet RESOLVED to AGREE
i) The implementation and upgrade from the current Oracle version to the Oracle Cloud to Go Live by December 2020;

ii) A budget and allocation of funding of £6.1 million from the capital programme to be funded through the government’s Flexible Use of Capital Receipts scheme for Transformation Projects that deliver an ongoing saving;

iii) The award of:

a) Oracle Fusion Subscription licence to Oracle as a direct award with VEAT which would be a 10 year (including a 5 Year break clause) contract for a total value of £4.213m

b) A Contract to Evosys off G-Cloud 10 framework as implementation partner to implement the upgrade for a total value of £1.693m

iv) To enter into a shared support arrangement with London Borough of Lambeth to provide expert support at the cost of £0.2m;

v) To delegate authority to the Executive Director of Financial Sustainability in consultation with the Chief Executive

a) to award a change management contract to embed the Cloud new ways of working in Newham, as assessment of this will be made once the project is under way and a decision will be made to see if external support is required, £0.7m is budgeted for this activity. It is anticipated that these funds are committed to communication and socialisation of the programme, development and delivery of a training strategy with relevant materials and the establishment of a super user network. In recognising the limited change capacity within Newham, it is anticipated that a third party organisation with clear track record of successful delivery will be contracted with to drive and deliver this strategy.

b) in consultation with the Monitoring Officer to approve the final forms of contract and entering into such agreements necessary to give effect to the recommendations detailed in this report.
Alternatives considered

1) Do nothing

Not viable as it could expose the Council to challenge and unnecessary costs.

2) Do our own OJEU regulated procurement

Not viable as timeframes do not permit and it is likely to cost more than using existing frameworks.

3) Use the Bloom framework for engaging with consultants This is a viable option for the implementation partner however, it does not cover software and licences, timescales do not permit and may be more expensive than other frameworks that are available.

4) Use Health Trust Europe ICT Framework This is technically a viable option for both Implementation Partner and licences elements, but this framework is meant for NHS organisations as opposed to Local Authorities so is not necessarily off the shelf and would need “tweaking” to potentially make it viable for Newham. This framework has been discounted as there are more appropriate off the shelf frameworks that can be utilised.

5) Use the Lambeth Oracle contract Liaison with Lambeth Council directly has identified that Lambeth Council procured a contract in 2016 through CCS Framework RM1058, on behalf of all One Oracle participating councils, of which oneSource officers actively participated in this procurement and were part of the specification development and tender evaluation panel.

6) However, following consultation with Legal, this option has been discounted as Newham did not sign the contract at the time of award (2016) and have therefore not announced publicly by way of a notice in Contracts Finder any award in 2016. Lambeth have no contract documentation evidencing Newham as being a party to this contract.

Other alternatives

7) A cost benefit analysis was carried out based on remaining on the ‘as is’ system and platform. This was assessed and discounted on financial grounds as well as not given us certainty around resilience and customer experience.

8) A joint project implementation and upgrade to the Cloud with Havering was considered but discounted due to the pace Havering wanted to move at.

9) A replacement for the current systems was considered but discounted on the basis of cost of change i.e. procurement process,
hardware and software licences, implementation costs of new software opposed to an upgrade as suggested in this business case.

7. The Chartered Institute of Public Finance and Accountancy Action Plan

Cabinet considered this report which provided an officer response on actions recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their Finance Review report.

Councillor Paul introduced the report advising that this report followed on from the review CIPFA were asked to undertake.

In response to questions from the Mayor and Members the Presenting Officer stated that a considerable amount of work had been undertaken prior to and since the Corporate Plan had been agreed.

Councillor Gray commented that the Council should be spending less on emergency repairs and more on planned maintenance.

The Mayor asked that an updated version of the action plan be brought back to a future meeting of Cabinet. She referred in particular to the section around addressing the lack of corporate memory and stipulating that re-examining the use of reserves was a strategy for the lifetime of the current administration.

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) to endorse the Action Plan set out at Appendix 2; and

ii) that an updated Action Plan be submitted to a future Cabinet meeting

Alternatives considered

The Council could choose not to accept and implement the CIPFA recommendations, but the failure to address the issues and concerns raised in the CIPFA report would leave the Council exposed to continuing problems in terms of budgetary control and the development of a robust and balanced MTFS.

8. Local Implementation Plan (LIP) 3 Draft Submission To Transport for London

Cabinet considered this report setting out the Local Implementation Plan (LIP), a statutory document submitted to Transport for London (TfL) and prepared under Section 145 of the GLA Act, setting out how each London Borough proposes to deliver the Mayor’s Transport Strategy (MTS) in its area, as well as how it will contribute to the
Borough’s other local and sub-regional goals.

The LIP had been developed in accordance with the Revised Guidance for Borough Officers on Developing the Third Local Implementation Plan issued in April 2018 and uses the suggested LIP document template provided by TfL.

This document was the third LIP for the London Borough of Newham. It covered the same period as the MTS (published in March 2018) and also took account of the transport elements of the draft London Plan, and other relevant Mayoral and Council policies as appropriate.

Councillor Asser introduced the report stating that this strategy would take Newham forward in respect of travel. The Presenting Officer stated that this was an important step for improved sustainable transport.

Members held a detailed discussion on the report and the LIP document around ensuring that active travel contributed to active community cohesion and ensured better air quality. Members welcomed the document and wanted to ensure there was public consultation and in particular to consult young people and schools to establish what they required from the strategy.

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) The proposed LIP3 document (summarised at Appendix 1) and the draft Delivery Plan (at Appendix 2) for submission to Transport for London, subject to any minor amendments following the on-going consultation, including comments made at Cabinet, 2nd April 2019;

ii) To delegate to the Cabinet Member for Sustainable Transport and Highways and the Deputy Cabinet Member for Sustainable Transport and Highways approval of the final proposed LIP3 document and the draft Delivery Plan, with any minor amendments as a result of ongoing consultation;

iii) That the Director of Environment and Community submit the final LIP3 document and the Delivery Plan to Transport for London;

iv) To note the ongoing preparation of an EqIA and SEA report which will accompany the LIP3 document.
Alternatives considered

1) There is no real alternative to producing a compliant LIP document to TfL as it would jeopardise a significant source of external funding for the Council to achieve its infrastructure, transport, environmental and behavioural change improvement objectives.

2) LIP monies also fund a number of staff positions in the Highways and Traffic teams, so any loss of funding would result in a loss of staff positions and significantly impact upon resource and delivery.

3) Failure to submit a compliant LIP would also be of great reputational and political damage to the Council, particularly given our close relationship with the London Mayor.

9. East London Regional Adoption Agency - Business Case

Cabinet received this report which informed Cabinet that the 2016 Adoption and Education Act sets out the requirement for all local authorities to deliver their adoption service through a Regional Adoption Agency by April 2020. The report therefore proposed that a new East London Regional Adoption Agency (RAA) should be created through combining the adoption services for four East London Boroughs; Newham, Havering, Tower Hamlets, Barking and Dagenham. These agencies wish to build on the success of their existing services in order to improve performance in meeting the needs of children who require permanence through adoption, by bringing together the best practice from each authority within the RAA. This proposed change would add drive to achieving appropriate permanency planning which specifically includes adoption in the new model.

Councillor Ruiz introduced the report advising that London was slightly behind other authorities in setting up the Regional Adoption Agency. The Presenting Officer stated that this would offer an opportunity to increase adoptions.

For the reasons set out in the report Cabinet RESOLVED to AGREE

The Newham specific content in the business case for the proposed East London Regional Adoption Agency (ELRRA) in order for LB Newham to enter into an agreement with the three partner East London boroughs who, with LB Newham, will comprise the ELRAA.

Alternatives considered

1) An options appraisal was undertaken in the initial stages of development of the Pan London model for regionalisation of
adoption. This model was subsequently refined into four ‘Adopt London’ Regional adoption agencies with a central hub providing further opportunities for efficiencies of scale. The detailed modelling benefitted from experience in Yorkshire; an early adopter with a similar model:

2) The rationale for the Pan London approach:

- A Pan London resource for London children and families
- Four regional agencies providing responsive services at a local level within a recognisable geographical area
- London boroughs who understand local need and challenges to host each agency
- Ability to recruit adopters to meet identified need within the local area
- Opportunities for further economies of scale through working Pan London
- Opportunities for further funding for innovation through Practice Improvement Funding

3) In order to further test the proposed model consideration has been given to joining a regional adoption agency with other local providers. The only local provider who may be available for consideration is the Coram led regional adoption agency in partnership with Redbridge and other Local Authorities. At this stage, this has been appraised as not being as viable option due to the following key reasons:

- Reputational risks to all constituent local authorities deviating from a model which they have been working towards since April 2017
- Staff on the ground have already bought in to this model of delivery and have been heavily involved in the design of the future processes and practices
- There are a number of pan-London benefits associated with the joining one of the four local authority hosted London RAA’s, including reduced interagency costs, shared learning and larger scale commissioning of some key adoption functions.

10. Section 75 - LBN CAMHS Report

The Mayor advised that this item had been withdrawn and would be submitted to a future Cabinet meeting.

11. Financial Viability Consultant Procurement

Cabinet considered this report which sought approval to go out to tender in order to procure a Financial Viability Consultant (FVC) to
robustly scrutinise Financial Viability Assessments (FVA) accompanying planning applications, as well as allowing review of viability matters relating to policy and strategic investment. Officers were seeking a quality to price ratio at a 70/30 split in favour of quality to ensure robust scrutiny of FVA.

The Mayor introduced the report stating that there had been a significant pace of change and development in Newham and there was a need to maximise best value from those developments.

The Presenting Officer advised that the procurement of the services would ensure robust scrutiny of planning applications and 95% of the costs were recoverable. The Mayor said that ensuring quality over price would be a feature of community wealth building. In response to further questions from Members, the Presenting Officer stated that planning application reports would be made available to ward Councillors at the point of submission.

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) The procurement strategy as set out in the report, and allocate £1,250,000 for the LPA to appoint a FVC; and,

ii) To approve an exemption of Contract Standing Orders (CSO) 22.3, to allow for a quality to price ratio evaluation at a 70% quality / 30% cost split, instead of the normal 70% cost and 30% quality in accordance with CSO 22.4.4.

Alternatives considered

The option of using Bloom was considered, however, it was determined that using the recognised and Official Journal of the European Union compliant CCS framework would better satisfy the project’s broad scope and delivery requirements. An additional 5% is charged to the applicant via the Bloom framework. Even though this cost would be passed onto the applicant and cost neutral to the LPA, the use of a non-fee charging framework is considered better value for money. It should be noted that Transport For London and Homes England frameworks were also considered as part of this process. It should also be noted that the value of the contract would require a sealed contract.

12. Request to Procure Shared Lives Services (Adults)

Cabinet considered this report which sought approval to re-procure the contract for Adult Shared Lives Services, which was due to end on 19th June 2019, using an open tendering procedure.

Councillor Masters introduced the report advising that the service
would provide both long and short term accommodation placements and ensured that there were options to access support for a fulfilling lifestyle.

For the reasons set out in the report Cabinet RESOLVED to AGREE

i) To invite tenders for Adults Shared Lives Services, for a contract term of 2 years with the option to extend for up to a maximum of a further 3 years (2+3) at the sole discretion of the Council;

ii) That the procurement would be undertaken via an open tendering procedure complying with the Public Contracts Regulations 2015; and

iii) To an extension of no more than 6 months of the current Shared Lives Contract with Bettertogether to allow sufficient time to comply with statutory procurement requirements and corporate governance procedures

Alternatives Considered

1) Commissioning & Procurement have considered other appropriate procurement options available to deliver the new contract. As the original one year contract had ended and the two year extension is soon to end, to meet LBN’s legal obligations, going out to the market was inevitable. Collaboration with other local London Boroughs was explored. Benchmarking activity showed that local boroughs either had an in house shared lives provision or that they were under contract with a provider. There was a possibility of a joint procurement with LB Havering but they had already gone out to tender. Framework agreements were considered. Shared Lives is a niche, borough based service and a Framework agreement with multiple providers was inappropriate and may have impacted on quality.

2) Contract length was considered. It was agreed that a 1+1+1 was short term and would not have attracted the market response the Council will like to see. 3+2 years was initially proposed, however in consideration of the EBU review, CMT recommended 2+3 years to build in flexibility within the arrangements.

3) To allow for stability in the market, and due to the specialised nature of this service, it was identified that a single long-term
contracted service commissioned for a total maximum of 5 years (2+3), with a break clause in the contract after 2 years, to allow a review of the services should be undertaken.


14. Exempt Appendix for Agenda Item 11 - Financial Viability Consultant Procurement

The matter was considered but not disclosed during consideration of Agenda Item 11, Financial Viability Consultant Procurement.