

Notice of Non-key Executive Decision

Subject Heading:	Planning Applications Validation Service (PAVS) continued outsource with current supplier while a tender is run
Cabinet Member:	Councillor Joshua Chapman, Cabinet Member for Housing and Planning
SLT Lead:	Barry Francis, Director of Neighbourhoods
Report Author and contact details:	Catherine Culley 01708 434628 Catherine.Culley@havering.gov.uk
Policy context:	Part of the recommended changes arising from the Planning Service Review 2018
Financial summary:	Estimated costs of £0.060m in FY 2020/21, and £0.012m in 2021/22
Relevant OSC:	Towns and Communities
Is this decision exempt from being called-in?	Yes. It is a non-key decision by a member of staff

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

1. Agree to:
 - a. Extend the contract dated 31 October 2019 with TerraQuest Ltd for a period of 6 months from 1 November 2020 at an estimated cost of £0.060m in FY 2020/21 and £0.012m in 2021/22; and
 - b. Subject to the above, vary the contract to allow a 6 month extension as set out in the body of this report

AUTHORITY UNDER WHICH DECISION IS MADE

This decision is made under :

Part 3 Functions delegated to staff of the Havering Constitution
section 3.4 Powers of Second Tier Managers
Financial Responsibilities (a) and (b), and
Contract Powers (a) and (b)

STATEMENT OF THE REASONS FOR THE DECISION

An internal review of the Planning Service in 2018 identified issues with the Planning Application Validation Service (PAVS) delivery. The review highlighted that the registration, validation, allocation and notification process had been consistently identified as the most significant delay in the planning application process. As a consequence in order to provide an improved and efficient service, a 1 year contract was awarded to TerraQuest in October 2019 to deliver an outsourced Planning Application Validation Service to the value of £0.119m to see if improvements could be delivered using an outsourced model.

The service commenced in December 2019. A 6 month review demonstrated that the new service model contract is successful and the expected benefits regarding processing time have been delivered. The TerraQuest contract is delivering on time.

While there were some 'bedding in' issues, the KPI's show that by outsourcing the registration, validation, allocation and notification processes, the service significantly minimises delay and avoids multiple handling in processing applications. A three working-day turnaround has been established from receipt to allocation to a case officer for valid applications. Performance figures against KPI targets are attached (exempt Appendix 1).

The Planning Service now wishes to extend the contract with TerraQuest to allow the service to continue while we go to the market to contract for a continued outsource model for a longer timeframe.

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A contract specification has been drawn up in collaboration with the Procurement Team and a route to market is currently being decided. This is likely to be either a frame work or an EU compliant tender on the open market. It is intended under the current timetable that a contract will be awarded within 6 months.

The terms of the current contract are such that an extension is only available as a 12 month period. It is not expected that more than 6 months will be required. TerraQuest has agreed in principle to a 6 month extension. It is proposed that the contract be varied to allow a 6 month extension.

Whilst the timetable for the new procurement is considered representative and achievable, in order to future proof/mitigate any unexpected delays in procurement it is proposed that the variation allow for an initial 6 month extension followed by increments of 1 month up to the original full 12 month extension period. Any future extension requirements past the 6 month extension subject of this report would be subject to a separate decision.

An annual budget of £0.144m is required to deliver PAVS, and this is located in A44510.641440.0000.000000.000000.

Recommendation:

It is recommended that the current contract with TerraQuest is extended in order to continue to deliver the current service while a further tender exercise is undertaken or framework is identified. This is subject to the budget being available and governance approvals

OTHER OPTIONS CONSIDERED AND REJECTED

Do Nothing: not recommended

This is not an option as the Council has a statutory requirement to provide Planning Services to the Borough. The outsourced model has significantly improved the speed at which newly submitted planning and other applications are ready for case officer determination.

Take the service back in-house: not recommended

Prior to outsourcing, previous attempts to rework this part of the process in-house were unsuccessful in yielding sustainable improvements in turnaround and application processing time.

Additional staff would be required to facilitate moving the work back in-house.

A separate decision will be made in relation to a long term contract to commence after the recommended 6 month extension. The option of bringing the service back in house will be considered as part of that recommendation. It would not be cost effective to bring the service back in-house for 6 months pending a longer term decision.

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Identify an alternative supplier: not recommended

There are set up costs and potential process changes to delivering this option. As set out above, the cost of change for a period of only 6 months is not recommended.

PRE-DECISION CONSULTATION

Not applicable

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Catherine Culley

Designation: Programme Manager, Planning

Signature: *Catherine Culley*

Date: 14/09/2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks approval to extend the Contract with TerraQuest for a period of 6 months.

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions. The Council has the power under this section to agree to the proposals in the recommendations.

The value of the original contract was £0.119m together with the proposed extension of 6 months at £0.072m, totals £189,302. This is below the EU's public procurement threshold for services (£189,330), governed by the Public Contract Regulations 2015 (PCR). Whilst the contract is sub threshold and is not caught by the full procurement regime of the PCR, the Treaty principles of equality of treatment, proportionality, non-discrimination and transparency must be followed.

The extension must comply with the Council's Contract Procedure Rules (CPR). Contract Standing Order 19.1 permits variation of the contract by the officer with responsibility for day to day conduct of the contract (subject to delegations) where:

A change in contractor cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or, would cause significant inconvenience or substantial duplication of costs for the Council provided that an increase in price does not exceed 50% of the value of the original contract.

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The proposed extension falls within CSO 19.1. If it is considered that the variation is not substantial it is recommended that the extension is agreed.

The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions. This includes the services contained in the proposed contract extension. As set out in the body of this report, officers have satisfied themselves that the extension of the contract with TerraQuest Limited achieves best value.

The Council's legal services team will assist with drafting of the variation of contract.

FINANCIAL IMPLICATIONS AND RISKS

A budget of £0.144m pa is required to provide this service. The budget to cover this extension is located in A44510.641440.0000.000000.000000.

The estimated cost for the extension of the contract will be £0.060m in 2020/21 and £0.012m in 2021/22 and will be met from the allocated budget.

Assumptions have been made around the volumes of applications that will be received. There is a risk that the forecast is too low, or the assumption on the type of application received (and therefore the unit cost forecast) is inaccurate. The probable impact of this would be that costs could exceed the forecast budget

As mitigation, Procurement and Legal are already engaged and defining the work stream and approach for the continued service via a full tender or by utilising a framework agreement. Timescales could be moved so that the new contract date aligns with the spend forecast.

Procurement are also investigating alternative procurement approaches, from full tender to engagement via existing frameworks, and that separate procurement work stream will continue in parallel with this extension.

A spreadsheet (exempt Appendix 2) showing spend to date and forecast spend for this financial year. This sheet forms part of the decision documentation, but will be attached in the final version of the document as a wholly exempt appendix, as it contains commercially confidential information pertaining to the current supplier unit costs and rates.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no TUPE or other human resources implications arising from the recommendation in this report because the outsourcing of these specific processes does not result in substantive changes to the existing administrative and technical officer roles.

This Executive Decision is primarily related to a service provision that has already included outsourcing of administrative and technical processes and functions. There are

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no specific equalities implications for Human Resources; this is an extension of an existing service provision while a tender exercise is undertaken.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

This Executive Decision is primarily related to the outsourcing of administrative and technical processes and functions. There are no specific equalities implications for people, including those with protected characteristics. An EA is therefore not necessary in this instance.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

BACKGROUND PAPERS

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed:



Name: Helen Oakerbee

Head of Service title: Assistant Director of Planning

Date: 19 October 2020

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____