

Notice of Non-key Executive Decision

Subject Heading:	Network Refresh Procurement
Decision Maker:	SLT Lead
Cabinet Member:	Cllr Paul Middleton
SLT Lead:	Dave McNamara
Report Author and contact details:	Sophie Onyek 07985 427 558 Sophie.onyek@newham.gov.uk
Policy context:	<p>This project directly contributes to the Connections: Using technology to improve the way we live objective of the Corporate Plan.</p> <p>The following outcomes will be delivered:</p> <ul style="list-style-type: none"> Delivering digital improvements to enhance the customer experience and enable self-service <p>Ensuring that good customer experience is at the heart of our Digital Service design and the wider delivery of public services</p>
Financial summary:	The Network Refresh Programme budget for the London Borough of Havering is approximately £4.5 million over a 5 year period and is funded within ICT capital budgets.
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	Yes

Non-key Executive Decision

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

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

Non-key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The SLT Lead is recommended to agree to terminate the tender for a contract via a mini competition from CCS framework RM6068 Lot 1 for the reasons set out in this report.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 Section 3.3 – Powers of Members of the Senior Leadership Team

General powers

(a) To take any steps necessary for proper management and administration of allocated portfolios.

STATEMENT OF THE REASONS FOR THE DECISION

This report is for approval to cancel the network refresh tender.

This tender is for a joint Newham and Havering network design and implementation for:

- A new network. Local Area Network (LAN); Wide Area Network (WAN) and Wi-Fi solution
- Upgraded data centre solution including software and hardware
- Cloud infrastructure to support our move to the cloud
- Operational support (hardware or licensing and design) for 5 years.

The Council received 5 responses to the network tender.

4 of the bids failed on technical pass/fail criteria with the remaining bid costed at £5.3 million.

This tender was for a network solution for both boroughs and a combined network infrastructure. Since the Council started the tender process, the decision has been made to split OneSource and move ICT back into the 2 separate boroughs – Newham and Havering.

As the approach to returning ICT back into the boroughs has yet to be determined, there is a level of uncertainty around the best time to split the technical infrastructure that will be needed to support the two boroughs. The Project board considered whether the best approach would be to go ahead with the approach to upgrade a single network and split the network later, or to proceed with 2 separate tenders and split the network early on.

The councils will agree the strategic approach to splitting OneSource and the approach for all key projects by mid-June and the Project Board are advising the decision maker to pause the strategic elements of the network refresh until then (in flight projects relating to fibre upgrades will continue as these are Borough specific).

Non-key Executive Decision

Both boroughs have the strategic goal of moving to the public cloud which will entail migrating out of the existing data centres over the next 18 months and so the Network Refresh Project Board made the decision to not upgrade the current on-premise data centre network, which also had a 5 year support cost implication and instead, invest the money in a new cloud infrastructure.

When the Council has made a decision, it will proceed with the urgent work on the new network. To mitigate risk, there will be a need to upgrade critical end of life equipment to support the councils through the next 18 months whilst we migrate away from our on-premise data centres.

The new tender will ensure a quality led approach to ensure the solution meets the councils' requirements. An external consultancy will provide project assurance and we will be looking to partner with a Microsoft Gold Partner to lead the cloud infrastructure implementation.

OTHER OPTIONS CONSIDERED AND REJECTED

We considered doing nothing however, that would lead to hardware failure and we would not be able to support the organisation's IT requirements.

We considered continuing with the procurement but the Council would not realise value for money with the current approach.

PRE-DECISION CONSULTATION

None

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

Name: Dave McNamara

Designation: Section 151 Officer

Signature: Date:

Non-key Executive Decision

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. In accordance with section 55(1)(b), the Council can make a decision not to award a contract for which there has been a call for competition, as long as it informs each candidate and tenderer as soon as possible once the decision has been reached. The decision to abandon a procurement exercise must be consistent with the general principles of transparency and equal treatment.
2. Provided that the Council complies with these requirements, it can make a decision not to award a contract.

FINANCIAL IMPLICATIONS AND RISKS

The main network refresh tender falls within the overall network infrastructure programme which commenced back in 2020/21. Since then, the London Borough of Havering and the London Borough of Newham have taken the decision to remove ICT services from the oneSource shared services arrangement. As a result, the current tender process is being cancelled whilst the details of the approach to the splitting of ICT services and the resulting impact that has on the network infrastructure refresh is worked through. The relevant details regarding the approach to the splitting of ICT services should be known by the end of May 2023 at which point a new tender process can be commenced.

It is anticipated that the new approach will cost less than the current tender and that the cost will be within available capital budgets, however it should be noted there is a risk that the expected shift in emphasis from 'on premise' to cloud may result in an increase in revenue costs.

As the table below shows, minimal capital spend to date against total capital budget has taken place:

Havering Budget	Newham Budget	Total Budget	Havering Actuals	Newham Actuals	Total Actuals
£4.513m	£3.944m	£8.457m	£0.260m	£0.120m	£0.380m

The spend to date relates in the main to Havering Town Hall fibre upgrade costs, surveys and programme resource costs.

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

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

Non-key Executive Decision

There are no equalities implications and the customer experience will be enhanced.

There is no requirement to conduct an EQIA as this decision has no impact on any vulnerable groups.

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.

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

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.

There are no implicatio

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable Environmental and Climate Change implications and risks.

BACKGROUND PAPERS

None

Non-key Executive Decision

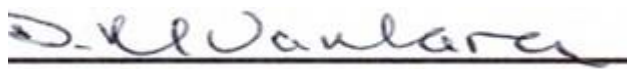
Part C – Record of decision

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: Dave McNamara
Section 151 Officer

Date: 6th June 2023

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____