

Item No.	Classification: Open	Date: 10th December 2020	Meeting Name: Director of Planning
Report title:		Gateway 2 – Contract Award Approval Award contract of the Back Office Planning Service	
Ward(s) or groups affected:		All	
Cabinet Member:		Cabinet Member for Climate Emergency, Planning and Transport	

RECOMMENDATION(S)

1. That the Director of Planning approve the award of the contract outlined in this report for a Single Supplier Negotiation (SSN) to deliver the agile development of Back Office Planning Service (BOPS) using the continuous funding model from Ministry for Housing, Communities and Local Government (MHCLG) to Unboxed Consulting Limited for up to £1,800,000 for a maximum period from 31 December 2020 to 31 December 2021.
2. That it is noted this project is part of funding secured from the MHCLG that is released in a phased model of continuous funding and no commitment to work beyond funds received will be entered into.

BACKGROUND INFORMATION

The Back Office Planning Service (BOPS) project

3. This procurement is to replace some of the services being provided by the incumbent provider, when the current contract expires in July 2021. We are switching away because the products are not as functional as they could be and the service provided could be improved. When the three year contract for was let in July 2018 by the council we were also given the opportunity to develop a new system by the MHCLG. This is being funded by MHCLG as a number of stages since 2018. There will now be five more stages of funding of around £350,000 per stage. This is necessary as this is an agile project which is being developed in a number of stages with a digital tool being produced and then additional services being added.
4. This project aims to create a planning system that uses accurate, up to date records and data to increase efficiency across the planning application process. The project team finished their discovery, alpha and beta activities

and are now testing the beta online so that the services can go live to the public. This project can be copied by other councils to improve the planning service nationwide.

5. Planning services are dependent on proprietary solutions that are developing slowly and are resistant to interoperability. The market is dominated by just two providers, and the software does not meet the aspirations set out in the Local Digital Declaration. Commercial incentives to support innovation are low and using poor quality software creates a number of challenges for the effective administration of the national planning system.
6. The users are planning officers who process planning applications, planning managers who sign off planning application decisions and applicants who will receive a quicker decision and then start building sooner.
7. A minimum viable product has been built by Unboxed Consulting Limited for Southwark council for private beta testing by the end of 2020 to provide a service that is fit for purpose. This will allow local planning authorities to manage Lawful Development Certificate applications. This will be the priority for the next phase of making the minimum viable product live. Three other prototypes were built for full householder applications.
8. The key features are: a data driven process, minimising the use of PDFs, gov.uk notify integration for emailing decisions to applicants, an embedded document management system. A link that can join the two computer systems Reducing Invalid Planning Applications and BOPS that can be used by a planning register or reporting tools and a scalable architecture built on Amazon Web Services.
9. The first stage of the project which was called a discovery was to build the back office service to improve the functionality for planning officers of their day to day database to use to determine planning applications in 2018. The project outputs submitted by Southwark council were a user research report, benefits case and recommendations for the next steps. The MHCLG have provided feedback on this first stage of the project which is the discovery and then have funded the next stage of the project which is the alpha. Southwark is leading on this with the partners as set out in the background developing a new digital tool which can be used by other local authorities.
10. At alpha and beta stage the projects outputs submitted by Southwark council were a user research report, benefits case, a user experience demo and recommendations for each steps. The MHCLG provided feedback and then funded the next stage of the project.
11. At beta project outputs submitted by Southwark council were a user research report, benefits case, user experience demo and recommendations for next steps. The MHCLG provided feedback and then funded each stage of the project.

12. MHCLG recommendations on the beta were that the council prepare a more detailed road map, which has been produced, increase partner work to increase the take up of BOPS by other authorities. This will be actioned at this go live phase. Also to improve digital capability in the Planning Department at Southwark which has been actioned.
13. The project timeline is as follows:
- A. December 2018 Discovery – MHCLG awards a grant of £78,000
 - B. April 2019 Southwark council delivers the outputs published on the Local Digital website
 - C. September 2019 alpha – MHCLG awards £100,000
 - D. February 2019 Southwark council delivers the outputs published on the Local Digital website
 - E. March 2020 beta – MHCLG awards £350,000
 - F. August 2020 – Southwark council delivers the tasks required published on the Local Digital Website
 - G. November 2020 beta – MHCLG awards £350,000
14. The project has had a number of public sector partners, they are there to provide input, a sounding board and helpful comments. There is no financial implication. At Discovery these were London Borough of Hackney, GLA and Future Cities Catapult a Government organisation to stimulate digital technology. At Alpha these were London Boroughs of Croydon and Hackney, Coventry City council and the Greater London Authority. At Beta these were London Boroughs of Hackney and Lambeth and the GLA and Surrey Health Borough council and Coventry council.
15. The project reports provide design principles for a new back office planning system. They are easy to understand and can be used by any other council looking to improve their planning system. There is a clear explanation of the problem and context for how BOPS fits into the wider digital landscape.

The procurement

16. The option chosen was to take forward a framework agreement with GOV.UK Digital Market Place Framework – Agreement with Digital outcomes and specialist providers at the initial stage of this project which was called the discovery.
17. The external framework considered was the GDS Digital Marketplace and the buyers framework was the Digital outcomes and specialists. The identified risks of the procurement were data issues and planning and development control issues. These are no longer risks as they have been overcome in the previous stages of the project.
18. This procurement is not retrospective, this is a long project with many stages. This is setting out the strategy for the remaining stages and this table illustrates the procurement process that was carried out for the first stage.

19. The procurement was undertaken in December 2018 using the digital outcomes and specialists framework. The project has been progressed in stages as set out in the background and the suppliers under the framework were aware of this approach. A mini competition was conducted with 5 of the suppliers and Unboxed Consultancy Limited was the successful supplier.
20. This procurement does not require any council money. The council is procuring Unboxed Consulting Limited as using MHCLG funding and if the funding is stopped at any stage then the project will not go ahead.
21. The contract documentation used was the GOV.UK digital market place framework agreement, Digital Outcomes and Specialists.
22. The contract was awarded on the basis of Price and Quality as set out in the contract documents at the discovery first stage of the project.
23. This project is being proposed for funding on this basis that the procurement was completed at the initial stage of the project and the chosen supplier was Unboxed Consulting Limited. Unboxed Consulting Limited have performed to a very high standard and therefore the requirement is for the same supplier and not to go out to tender from the funding body. This funding model allows for one supplier to be chosen throughout the project.

Summary of the business case/justification for the procurement

24. Southwark council is committed to a Digital Strategy for improving the Planning Division services. This project is a key part of that service which will improve officer performance. Funding has been provided by MHCLG for Southwark to progress this service.

Market considerations

25. The original contract was awarded as set out in the background information. The recommendation is for Unboxed Consulting Limited as the preferred supplier with a review at each stage of the project. There would need to be a new procurement process if it is decided at any stage that a new supplier is required.

Procurement project plan (Key Decision)

Activity	Completed by/Complete by:
Forward Plan (If Strategic Procurement) Gateway 2	NA
Briefed relevant cabinet member (over £100k)	30/11/2020

Activity	Completed by/Complete by:
Approval of Gateway 1: Procurement Strategy Report	10/12/2020
Issue Notice of Intention (Applies to Housing Section 20 Leaseholder Consultation)	NA
Invitation to tender	NA
Closing date for return of tenders	NA
Completion of evaluation of tenders	NA
Issue Notice of Proposal (Applies to Housing Section 20 Leaseholder Consultation)	NA
DCRB Review Gateway 2:	27/11/2020
CCRB Review Gateway 2:	10/12/2020
CMT Review Gateway 2:(if applicable)	NA
Notification of forthcoming decision – despatch of Cabinet agenda papers	NA
Approval of Gateway 2: Contract Award Report	18/12/2020
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	30/12/2020
Alcatel Standstill Period (if applicable)	NA
Contract award	30/12/2020
Add to Contract Register	NA
TUPE Consultation period (if applicable)	NA
Contract start	31/12/2020
Publication of award notice in Official Journal of European (OJEU)	NA
Publication of award notice on Contracts Finder	NA
Contract completion date	31/12/2021
Contract completion date – if extension(s) exercised	NA

KEY ISSUES FOR CONSIDERATION

Descriptions of procurement outcomes

26. This contract is being awarded under the continuous funding model by the Ministry of Housing and Local Government. The purpose of this procurement is to set out the strategy and remaining stages of the project and to agree the funding, and for the remaining stages of the project. Furthermore to agree that each stage can be funded once the money has been received by the council. To agree that the supplier will be kept under continuous performance

review with a review at the end of each stage. The requirement is very specialist and therefore is a niche market in terms of the ability to deliver and the timeframes to require this service.

27. The risks are the availability from the MHCLG of funding. The phase 1 of funding for £350k has been agreed by the MHCLG in writing setting out the funding arrangements. This will be three sets of funding, the council received £100k which was paid on 12 November 2020 and will receive two further payments for £100k and £150k. There will then be further phases of £350k as each stage of the project is completed.
28. The funding will only go ahead each stage after a review meeting with the MHCLG and they will then email us that the funding has been agreed and the funding arrangements. The funding will then be paid to the council, the purchase order will then be raised at this point once the funding has been received by the council.
29. Therefore the risk of MHCLG not funding the project are eliminated as the funding will only be released once the council has received the income. There are no additional risks from Brexit, Covid 19 to the council as the funding will only be released after the funds have been received by the council.
30. Financial checks have been carried out of Unboxed Consulting Limited and they are considered to meet the requirements.

Key/Non Key decisions

31. This report deals with a key decision.

Policy implications

32. The purpose of this project is in line with the council's digital strategy make administration more efficient and to improve the role of the planning officer as there will not be any unnecessary administration. There will be more resources for the strategic and contentious planning as resources can be moved to work on these issues. This may impact on staffing as roles and responsibilities will need to be kept under continuous review and staff will be updated on any impacts on roles.

Tender process

33. This was completed at the first stage of the project called the discovery as set out in the background

Tender evaluation

34. This was completed at the first stage of the project called the discovery as set out in the background.

35. The initial contract was awarded following interviews of five consultancies in 2018 for the first stage called the discovery. The consultancies gave a presentation and an interview. Unboxed Consulting Limited were chosen for this project. Evaluation of each stage of the process is carried out by MHCLG as part of the continuous funding model. Funding is then allocated based on this process which is a review process with MHCLG. The single supplier award was based on the procurement in line with the digital outcomes and specialists framework which was carried out in December 2018. This is a continuing arrangement due to the funding arrangements set out in the continuous funding model,
36. There is risk that this may be subject to legal challenge. The process followed has considered and addresses this risk.

Plans for the transition from the old to the new contract

37. This procurement is to replace some of the services being provided by the incumbent provider, when the current contract expires in July 2021. We are switching away because the products are not as functional as they could be and the service provided could be improved. When the 3 year contract for Unboxed Consulting Limited was let in July 2018 by the council we were also given the opportunity to develop a new system by the MHCLG. This is being funded by MHCLG as a number of stages since 2018. There will now be 5 more stages of funding of around £350,000 per stage. This is necessary as this is an agile project which is being developed in a number of stages with a digital tool being produced and then additional services being added.
38. This project aims to create a planning system that uses accurate, up to date records and data to increase efficiency across the planning application process. The project team finished their discovery, alpha and beta activities and are now testing the beta online so that the services can go live to the public. This project can be copied by other councils to improve the planning service nationwide.

Plans for the monitoring and management of the contract

39. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The report author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System. There will be regular meetings and checking that what is needed is delivered in the agreed phases as linked to the reporting on the project that is undertaken by officers and as part of the reports to MHCLG.
40. There will be an annual performance report to be taken to DCRB in line with Contract Standing Orders within 6 months of the contract anniversary.

41. The contract is being monitored as set out in the background information. There will be a continuous monitoring process with a review at each of the £350k stages by the MHCLG and the Council to ensure that the outputs and outcomes have been delivered and that the funding should move forward to the next round.

Identified risks for the new contract

42. The risks are the availability from the MHCLG of funding. The phase 1 of funding for £350k has been agreed by the MHCLG in writing setting out the funding arrangements. This will be three sets of funding, the council received £100, 000 which was paid on 12 November 2020 and will receive two further payments for £100k and £150k. There will then be further phases of £350k as each stage of the project is completed.

43. The funding will only go ahead each stage after a review meeting with the MHCLG and they will then email us that the funding has been agreed and the funding arrangements. The funding will then be paid to the council, the purchase order will then be raised at this point once the funding has been received by the Council.

44. Therefore the risk of MHCLG not funding the project are eliminated as the funding will only be released once the Council has received the income. There are no additional risks from Brexit, Covid 19 to the Council as the funding will only be released after the funds have been received by the Council.

Community impact statement

45. The Digital Strategy and Statement of Community Involvement set out how the council will improve its customer focus and communication. This will make the customer experience for everyone involved in planning simpler, easier to understand and quicker. This project will be very positive for the community as information can be collected and collated more efficiently.

Social Value considerations

46. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs. Due to the nature of the work being carried out in phases with work being agreed at each stage, apprenticeships are not appropriate for this scheme.

Economic considerations

47 The Planning Service will become more efficient and therefore planning application processing will take less time by planning officers. The opportunity to use data in a different way is part of the Planning Division's digital strategy to move from analogue to data to enable the information provided on development to be quickly and efficiently moved through all of the planning and transport processes. This will contribute to the Digital Strategy to enable all of those involved such as developers, the public including applicants, consultees, the general public, businesses, planning staff, councillors, the GLA and MHCLG to work more efficiently and effectively and to provide more data and improved information to the public on the website.

Social considerations

48. Unboxed Consulting Limited are a registered company and comply with all relevant values and standards including the London Living Wage. Due to the nature of the work being carried out in phases, with work agreed at each stage, apprenticeships are not appropriate for this scheme.

Environmental/Sustainability considerations

49. The Council will be able to improve consideration of environmental and sustainability considerations as the planning service will have a more efficient and effective method to manage data.

Market considerations

50. None as set out in the report

Staffing implications

51. The project manager is the Digital Team Leader in the Planning Policy Team in the Planning Division to lead on project management, partnerships and delivery. This funding will include £10,000 which will fund a Digital Transformation Officer who will ensure that the product meets corporate guidelines and that it will work within the council system.

Financial implications

52. This procurement has no revenue implications for the council as all of the funding of £1.8m will be received from MHCLG by 31 December 2021.

53. There will be checks put in place to ensure that the funding is received from MHCLG before the purchase orders are signed off at each stage. Each stage is for £350,000 and the funding is released in 2 x £100,000 and £150,000 blocks. No amount will be released to the contractors until the funds are received by the council.

54. This contract is for 12 months to deliver the new Back Office Service in Southwark council. This contract is for a maximum of £1,8m. This funding will be released in stages of £350,000. There will be a pause and review by MHCLG at each stage. Each purchase order will only be raised once the council receives each funding round from MHCLG.

Investment implications

55. None

Second stage appraisal (for construction contracts over £250,000 only)

56. None

Legal implications

57. Please see concurrent from the Director of Law and Democracy

Consultation

58. No consultation is required.

Other implications or issues

59. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (<Finance Concurrent Reference Number>) (CE20/062)

47. This report is requesting Director of Planning to approve the award of the contract outlined in this report for a Single Supplier Negotiation (SSN) to deliver the agile development of Back Office Planning Service using the continuous funding model from Ministry for Housing, Communities and Local Government (MHCLG) to Unboxed Consulting Limited for up to £1,800,000 for a maximum period from 30 December 2020 to 31 December 2021.

48. This report is requesting Director of Planning to note that this project is part of funding secured from the MHCLG that is released in a phased model of continuous funding and no commitment to work beyond funds received will be entered into. Details and background are contained within the main body of the report.

49. The strategic director of finance and governance notes that this procurement has no revenue implications for the Council as all of the funding of £1.8m will be received from MHCLG by 31 December 2021 and notes that no amount will be released to the contractors until the funds are received by the Council and notes other comments mentioned in financial implications.

50. Staffing, and any other costs connected with this report to be contained within existing departmental revenue budgets.

Head of Procurement

60. That the Director of Planning approve the award of the contract outlined in this report for a Single Supplier Negotiation (SSN) to deliver the agile development of Back Office Planning Service (BOPS) using the continuous funding model from Ministry for Housing, Communities and Local Government (MHCLG) to Unboxed Consulting Limited for up to £1,800,000 for a maximum period from 31 December 2020 to 31 December 2021.

61. This report seeks the approval of the Director of Planning to award a contract to Unboxed Consulting Limited following a Single Supplier Negotiation following award from the GOV.uk's Digital Outcomes and Specialists framework. The contract is to develop the Back Office Planning Service via an agile model, funded by the continuous funding model from the Ministry for Housing, Communities and Local Government (MHCLG). The total possible phases of the

Director of Law and Democracy

62. This report seeks the approval of the Director of Planning to the award of a contract for the delivery of the agile development of Back Office Planning Service to Unboxed Consulting Limited, using the continuous funding model from Ministry for Housing, Communities and Local Government for up to £1,800,000 for a maximum period from 30 December 2020 to 31 December 2021.

63. CSO 5.1 provides that any procurement involving the use of a third party's Framework contract is subject to usual Gateway 2 procedures and this report seeks the appropriate approval.

64. As the GOV.UK Digital Market Place Framework Agreement has already been tendered in accordance with the EU regulations, the council is not required to undertake a separate EU tendering exercise. Paragraph 19 of this report states that the council carried out a mini competition in December 2018 whereby 5 suppliers under the framework were invited to tender and Unbox was the successful tenderer. Paragraph 19 further states that this project has been progressed in stages and that the suppliers under the framework agreement were made aware of this approach. In the circumstances, the risk of a procurement challenge by aggrieved suppliers under framework that Unbox Consultancy Limited has been receiving a number of phased funding for up £1.8 million is low.


65. CSO 2.3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the Council. Paragraph 20 and paragraphs 51 to 54 of this report confirms how the proposed contract will be funded.

Director of Exchequer (for housing contracts only)

66. NA

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council’s Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).

Signature  Date...18/12/20..

Designation ...Director of Planning.....

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see ‘FOR DELEGATED DECISIONS’ section of the guidance).

1. DECISION(S)
As set out in the recommendations of the report.
2. REASONS FOR DECISION
As set out in the report.
3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
Not applicable.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

I declare that I was informed of the conflicts of interests set out in Part B4.*

(* - Please delete as appropriate)

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I consider that the decision be made available for publication under Regulation 13(4).*

or

I do not consider that the decision be made available for publication under Regulation 13(4).*

(* - Please delete as appropriate)

* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as "Regulation 13(4)".

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
none		

APPENDICES

No	Title
None	Insert title of document

AUDIT TRAIL

Cabinet Member	Councillor Situ Cabinet Member for Climate Change, development	
Lead Officer	Eleanor Kelly Chief Executive	
Report Author	Juliet Seymour Planning Policy and Digital Transformation Manager	
Version	Final	
Dated	10th December 2020	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (for housing contracts only)	No	No
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	10 December 2020	