

**COUNTY COUNCIL – 28 MARCH 2017**  
**WRITTEN QUESTION UNDER COUNCIL PROCEDURE RULE 9.2**

**Question from Councillor David Jenkins**

The CCC budget for 2017/18 includes provision to finance the accelerated delivery of a number of 'oven-ready' highways projects. May the list of these projects be published please?

**Response from Councillor Mac McGuire**  
**Chairman of Highways and Community Infrastructure Committee**

There is currently no budget available for the development of project proposals which could then be used to attract funding as and when sources become available. The purpose of this amendment was to create that capacity in the system but as this is not until 2017/18 by implication no such schemes have yet been identified. It will be a key area of activity for Members of Highways & Community Infrastructure Committee early in the new democratic cycle after the election.

**Question from Councillor Mike Mason**

I refer to my speech at the last Council Meeting during the debate on the Business Plan, in which I mentioned a contract with a company named V4 Services, which had been signed in December 2015 with an initial value of £60,000 and due for review in 2016. I referred to payment data on the Web Site indicating that up October 2016 a total in excess of £490,000 had been paid to this company. Will Councillor Count please confirm the start date and review date of this contract and indicate which Officer/Member signed and/or authorised this contract and the review thereof. Will he please also indicate the closing date of the contract and the total paid up to the last payment in 2017.

**Response from Councillor Steve Count, Chairman of General Purposes Committee**

Thank you for your question regarding the Council's use of the consultancy company V4. As you know Council has embarked on a major programme that seeks to transform the way that we do business - to protect front line services, and to minimise the financial burden on our tax payers. Our officers have been charged with developing an alternative approach that focusses on really transforming how we deliver our services.

To achieve this the Council agreed to create a Transformation Fund through altering its policy on debt repayment (Minimum Revenue Provision), to establish a fund of £20m in order to secure the transformation required, as it was recognised that this couldn't be achieved through either, base funding or, by those staff that are fully occupied delivering their day jobs.

Having identified the initial opportunity to create a more integrated and strategic resource pool to drive this programme, it was clear that the organisation needed help to deliver it.

V4 already had a successful track record in delivering significant change and cashable savings for Peterborough City Council. The Chief Executive and the Chief Finance Officer met with a number of other companies providing similar services but they were unable to

provide the confidence that they could mobilise in the timescales required. In contrast V4 identified specific consultants for the assignment and established its greater understanding of our organisation and its direction of travel.

The initial assignment related to the delivery of the Corporate Capacity Review and the creation of a transformation pipeline and process. Successful deliverables on this project now include

- a new staffing structure which will deliver annual savings of nearly £2m,
- corporate teams delivering council wide integrated transformation
- a corporate approach to project management governance
- a single communications approach across the Council
- business intelligence brought to life and being used to support strategy development
- corporate tools and processes in place
- a transfer of skills and expertise to the in-house team

On the back of the demonstrable delivery achieved through this piece of work, V4 were commissioned to deliver other key pieces of work. These have helped the Council deliver savings of £1m on the Highways contract, and major improvements in a number of other priority areas such as I.T. and they are now progressing a number of contract procurement opportunities.

Members of GPC have been aware of the council's use of external support. Two references were made in reports to General Purposes Committee to the need for additional budgetary provision to support the broader programme:-

- Integrated Resources and Performance Report for the period ending 31st March 2016
- Transformation Programme July 2016. This report explicitly stated that V4 were supporting the Council in this programme.

Although Members were aware of the use of these consultants from these reports and through V4 leading Members workshops, it is accepted that formal engagement of GPC in confirming ongoing work should have happened faster. However given the general awareness of the Committee about the company and its work with the council, continued and speedy delivery of outcomes was deemed a higher priority.

In financial terms alone the 17/18 budget will see savings in the base budget of at least £3m from the work developed and implemented by V4 which translates to savings of nearly 6:1 for every £ invested. This exceeds the criteria that we have set out for Transformation Fund investments. Furthermore the knowledge transfer to County Council staff that has been achieved will prove invaluable for the future.

Some of our commissions with V4 are on-going and some have been closed because the nature of the commission has been completed. These assignments have been procured through a professional services framework and have been funded within the base revenue budget or from within the Transformation Fund as part of a specific business case proposal

A summary of each commission, the associated costs and outcomes either delivered or expected are set out below.

## **Transformation Programme Support**

### **Rationale of requirement:**

Supporting the Council to deliver their transformation agenda by:

- Supporting the implementation of the Corporate Capacity Review
  - Implementation support including the consultation and interview process through to recruitment
  - Upon completion and release of the CCR1 consultation document, enable the commencement of CCR2 by undertaking analysis (including interviewing all 'in-scope' staff of the remaining areas (Communications, ICT, Workforce Development, Assets, Community Engagement and Connecting Cambridgeshire) with project sponsors
- Supporting the transformation/SMT work
- Providing strategic input around the Transformation work which covers the following areas:
  - Adult Services
  - Children's Services
  - Environment, Transport & Economy
  - LGSS & CCC Phase 1 - IT & Digital
  - Public Health
  - Finance & Budget Review
  - Customer & Community
  - Assets, Estates & FM
  - Commissioning
  - Contracts, Commercial & Procurement

Workforce Planning & Development

**Cost: £242k**

### **Key Outcomes:**

- Transformation pipeline of proposals, business cases and projects established
- Corporate Teams established for:
  - Transformation
  - Business Intelligence
  - Communications and Information Services
  - I.T Strategy Team
- Data analysis provided to support the programme development (including the use of PowerBI)
- Creation and implementation of the Transformation Framework, PMO function and i-can ideas capture

- Support and delivery of various presentations and workshops with Members
- Review of the Councils senior management strengths and areas for development
- CCR 1 & 2 savings of £1.9m per annum

**Commissioning Officer(s): SMT**

**Open or Closed: Closed**

**Contracts and Procurement**

**Rationale of requirement**

This was one of themes of the Transformation Programme and priority areas agreed with General Purposes Committee.

### Executive Summary

The headlines...

<b>£514m total supplier expenditure</b> (£501m 2014/15)	<b>£273m (53%) spent with the top 50 suppliers</b> (2015/16)	<b>64% of expenditure is with suppliers not on the Corporate Contract Register</b>
Spent with <b>5,458 suppliers</b> , reduced from 5,946 in 2014/15	<b>1,922 suppliers (35%)</b> received total payments under £1,000, equivalent to 0.1% of total spend	<b>96 contracts that should have gone through an OJEU process appear not to have done</b>
<b>£411m (80%) spent with 291 suppliers (5%)</b>	<b>473,000 invoices</b> processed (average invoice value £1,087)	<b>163 contracts are due to expire</b> this financial year and are due to go out to market

**A big opportunity**

**£1.5bn (413 contracts) will need to be taken to market over the next 3 years**

Note: Figures stated are from CCC 2015/16 and 2014/15 data

[www.cambridgeshire.gov.uk](http://www.cambridgeshire.gov.uk)

The scale of the opportunity was set out in most, if not all, of the aforementioned workshops. This slide was just one that illustrated why this area of activity was a key opportunity for driving out savings.

**Key Outcomes:**

- Commercial Board established
- Produce draft Terms of Reference and supporting templates for Commercial Board
- Supported corporate communications in relation to the Board and its governance
- Revise role and TOR of the Commercial Board to reflect the new commissioning arrangements and governance within CFA
- Training and development for Board members in relation to the role requirements and ensuring the Board operates effectively
- Support in the development and production of specific Mandates
- Supporting the Head of Procurement in the operation of the Board
- Identified initial priority savings programme
- Delivery of procurement savings against specific mandates

**Cost: £400k (total cost subject to delivery of £2m savings)**

**Open or Closed: Open**

**Commissioning Officer: CFO (business case approved by GPC)**

**Key Outcomes (To date):**

- Assessment of procurement opportunities/risks

- Robust contract register developed
- Significant support on the Coram contract
- Early analysis/support on Total Transport/ Private Transport for SEN
- Establishment of Commercial Board (including terms of reference)
- Business case produced for Property Services
- Priority mandates developed
- Currently commencing contract re-negotiations

## **IT Support**

### **Rationale of requirement:-**

The recent position of multiple failures across the IT estate could be allowed to continue. Aside from the inevitable user frustration and stress, it is estimated that approximately 20 hours of were being lost on a monthly basis due to system wide failures. Using an average salary of £25,000 including on costs and an indicative average of 2,000 concurrent users across CCC the hourly cost of lost productivity is approximately £28,000.

This means that the total cost in productivity loss was approximately £560,000 in November 2016 alone when the organisation experienced a major outage over a number of days. This is before we factor in the costs that are incurred as a direct result of users not being able to access systems (e.g. not being able to discharge hospital patients). It is difficult to directly attribute a value to reputational damage but this is likely to manifest itself in OFSTED inspections that were taking place during system failures.

CCC have lost confidence in the ability of LGSS IT to provide a stable IT service to our end users. CCC are seeking to take back a degree of control in order to improve the stability of our core IT platform.

### **Initial Project Scope:-**

#### **Complete IT Strategy**

Provide technical support to enable the establishment of IT Client Team

Re-design of CCC IT resource as part of CCR2

Technical/Process support for new CMS procurement

Assist with defining detailed Citizen First Digital First Projects

Other tasks and deliverables to be agreed with the Director of Customer & Communities

### **Change Request December 2016**

To provide the following:

- Management of IT Client Team
- Provide technical management resource to CFA technical team
- Provide technical advice and guidance to Citizen First Digital First programme
- Manage the IT and Digital Services CCR2 process including shortlisting / interviewing and establishment of team
- Provide ongoing operational support (utilising Client Team) and effective communication for IT including incident management
- Other tasks and deliverables to be agreed with the Director of Customers & Communities

**Cost: £ 115k (to date – on-going on rolling basis)**

**Key Outcomes to date:**

- Greater stability in the system now evident
- Perception of IT improving
- Significant reduction in 'fault' helpdesk calls
- Desktop ready reckoner of system availability
- Fault identification system introduced
- CCC Client Team established
- CCR 2 savings implemented
- Investment in infrastructure secured
- Stable Platform Plan agreed and being implemented.

**Commissioning Officer: Director of Corporate and Community Services**

**Open or Closed: Open**

### **Highways Competitive Dialogue Support**

Rationale:-

Concerns were being raised regarding how the dialogue process was progressing from both a political and provider perspective. There was a risk that at least one of the potential providers was going to remove themselves from the process. V4 were asked to identify a potential resource that could help the process get back on track. The resource was commissioned from Cardiff City Council via V4 and their input was invaluable in delivering a successful outcome.

**Key outcomes:-**

- Prover concerns removed from process
- Two providers stayed in the process submitting competitive bids
- Competitive dialogue process completed on time
- Savings secured of £1m per annum

**Cost: £106k**

**Commissioning Officer: Executive Director ETE**

**Open or Closed: Closed**