

**CAMBRIDGESHIRE PUBLIC SERVICES NETWORK PARTNERSHIP AND
CONTRACT RENEWAL**

To: **General Purposes Committee**

Meeting Date: **15th March 2016**

From: **Noelle Godfrey, Programme Director Connecting
Cambridgeshire
Ian Farrar, Director of IT, LGSS**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **This paper sets out the background to the Cambridgeshire Public Services Network (CPSN) Contract and supporting partnership which enables the delivery of network connectivity and related IT infrastructure services to Cambridgeshire County Council buildings and to Cambridgeshire schools.**

It includes a timeline for the current CPSN contract expiry and a proposal for the procurement of a follow on contract.

Recommendation: **The Committee are recommended to :**

- a) Approve the County Council's continued engagement in the CPSN shared service partnership.**
- b) Endorse CCC as lead authority on behalf of the partnership to undertake procurement activities for a PSN framework based contract to replace the current CPSN contract.**
- c) Approve the investigation of charging mechanisms which will enable Cambridgeshire schools continuing involvement in any future network connectivity contract whilst minimising any financial risk to the Council.**

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1. BACKGROUND

1.1 Introduction

Operationally the Council is critically dependant on network connectivity in order to function efficiently and the strategic direction towards a “digital first” approach has increased this dependency in recent years.

The CPSN Partnership was formed in 2009 with twofold objectives:

- To reduce the cost of network connectivity via economies of scale achieved through aggregation and geographically based shared provision
- To act as a strategic enabler for delivering more joined up public services, including shared service arrangements, shared buildings and new service delivery models.

The County Council acted as lead authority for the procurement and let a framework contract to Virgin Media Business on behalf of the CPSN Partnership in 2011. Each party then initiated their own call-down contract against the framework.

The CPSN contract is overseen on behalf of the partnership by a shared Service and Contract Management function, which is joint funded by the partnership and organisationally hosted by the LGSS (Local Government Shared Service) on behalf of the County Council.

1.2 Operation of the CPSN Contract

Overall the CPSN contract has been extremely successful, for the Council, Cambridgeshire schools and the wider partnership. As well as providing network connectivity and related services (such as Wi-Fi) it has acted as a foundation for a range of shared services across the partnership.

Over the life of the CPSN contract the combined savings for Cambridgeshire County Council and schools combined exceed £18m (a 50% saving on the previous PFI based contract). Cambridgeshire schools, with over 250 circuits in total, are the largest overall beneficiaries but also the biggest contributors to CPSN, which enables economies of scale to be realised across the whole partnership. Since 2009 the number of organisations within the CPSN Partnership has more than doubled, with current membership including:

- CCC & Cambridgeshire Schools
- All Cambridgeshire District Councils, including Hunts DC, South Cambs DC, Cambridge City, Fenland DC, East Cambs DC.
- Peterborough City Council
- Cambridgeshire and Peterborough Fire and Rescue
- Bedfordshire and Luton Fire and Rescue
- Northamptonshire County Council (& Northants Districts via LGSS)
- Cambridgeshire Constabulary (also linked to Herts & Beds constabulary)
- Cambridge & Peterborough Foundation Trust

The steer from the CCC leadership in 2011 was to minimise the Council's investment in the CPSN network to avoid any unnecessary or speculative investment and ensure the lowest cost "fit for purpose" connectivity and related services.

This has been broadly achieved, with forecast savings maintained and a major infrastructure upgrade undertaken within the existing budget.

2.0 MAIN ISSUES

2.1 Contract Expiry

The current contract expires in June 2018, so arrangements to procure a replacement need to get underway shortly. In recent years government have developed a national framework for use by all public service organisations which may offer the quickest and potentially most competitive method of procuring a replacement contract.

The continuing growth of the LGSS Shared Service owned by the Council in partnership with Northamptonshire County Council also presents an opportunity to explore an alternative procurement solution, perhaps in parallel, to enable a more open competition and with the potential for additional savings, and to benefit from further economies of scale.

2.2 Timelines

In order to give sufficient time to transition from the current CPSN contract to a new arrangement the following indicative timetable has been calculated, taking into account the shorter potential timescales offered by the national PSN framework:

Requirements gathering & Statement of Requirements	Feb-June 2016
Tender publication & supplier selection processes	June – Oct. 2016
Contract award, completed by	December 2016

2.3 Financial and operational risks

The financial and operational risks if a new contract is not procured in a timely manner are significant. If there is insufficient time to undertake a thorough procurement process the Council could be in a position of having higher costs and/or a lack of appropriate connectivity to support the business of the authority.

Any new contract needs to take into account newly emerging network and communications technology and to offer inbuilt flexibility to deal with the increasing and ongoing volatility in public service provision. Acting as lead authority per se will not incur additional significant financial risk to the Council.

2.4 Partnership implications

The CPSN partnership board has proved to be an effective mechanism to date in supporting partnership working and a range of shared service arrangements. With wide spread of public service representation across

Cambridgeshire, it could provide additional value for further partnership work in future.

2.5 Schools connectivity and funding/charging mechanisms.

Schools participation in the current CPSN contract arrangements makes a significant contribution to the economies of scale achieved, however schools funding arrangements have continued to change since the framework contract was let in 2011 and there is a risk that the current “block” agreement cannot be replicated in any future framework contract. A key element of the early stages of any procurement activity is to explore the options for schools participation and to calculate any associated financial risks.

A CPSN Partnership board sub-group has been convened to consider the nature of and the options for procuring a new contract when CPSN expires. In general there is consensus about the need to maintain the CPSN partnership as a mechanism to secure a replacement contract as the cost premium for any single organisation “going it alone” is likely to be significant, particularly in more rural locations across Cambridgeshire.

It will be necessary for a single organisation to act as the lead authority. Across the Partnership CCC and Cambridgeshire Schools (assuming a new charging mechanism can be agreed) will continue to form the largest block in terms of numbers and encompass the most diverse and complex connectivity requirements. Therefore it is proposed that the Council acts as the lead authority for the procurement, working in conjunction with the CPSN Partnership Procurement Sub-group and supported by the CPSN Service and Contract Management Team (with legal, procurement and other specialist resource as required).

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in paragraphs 2.5 and 2.7 above

4.2 Statutory, Risk and Legal Implications

The procurement process will follow the current relevant procurement and financial regulations of the Council.

4.3 Equality and Diversity Implications

Not applicable.

4.4 Engagement and Consultation Implications

Not applicable.

4.5 Localism and Local Member Involvement

Not applicable.

4.6 Public Health Implications

Not applicable.

Source Documents	Location
None	<i>N/A</i>