

Officer Decision Record – Executive Decision

If Key Decision: Decision Ref. No.

B003/24

OFFICER DECISION RECORD ⁱ

Officer Key Decisions are subject to the Council's Call-In Procedure (Annex 9 of the Council's Constitution <https://www.hertfordshire.gov.uk/about-the-council/freedom-of-information-and-council-data/open-data-statistics-about-hertfordshire/who-we-are-and-what-we-do/who-we-are-and-what-we-do.aspx>)

Subject: Procurement of consultancy services for Best Value review of service delivery models

Type of Decision: Executive

Key Decision (Executive Functions only): Yes

Executive Member/Committee Chairman: Councillor Bob Deering

Portfolio (Executive Functions only): Resources and Performance

Officer Contact: Anna Morrison – Director of Technology & Improvement

Tel: 01992 588 282 (Internal 20282)

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1. **Decision**

To approve the award of a contract to PricewaterhouseCooper LLP (“PwC”) under Lot 2 of the Cross Council Assurance Services Framework (“CCAS”). The contract will end on 31st July 2024. The contract is to be let at a fixed price of £2,580,000.00 (Exclusive VAT) for consultancy services related to the review and implementation of an organisational resourcing programme.

2. **Reasons for the decision**

The decision will support the Council’s efforts to ensure that workforce resourcing and its service provision model is designed for operational efficiency. This resourcing efficiency is critical to delivering £8,000,000.00 savings in this financial year, rising to £16,000,000.00 in the next financial year. These savings will ensure prudent financial management and the ability to continue to provide value for money services to residents.

External Support is needed for the design and build/implementation of an organisational resourcing model to ensure the continued delivery of improvements and savings.

Undertaking this extensive workforce re-design and implementing a new organisational resource design in-house without external resources would create additional staffing pressures and significant risks to the delivery of the savings. External support is required to bring capacity and experience at a delivering organisational resourcing models.

External support will ultimately reduce risks related to delivering a complex programme within short and tight timescales. External support will additionally reduce the staffing pressures associated with a programme of this size thereby allowing officers to continue with business as usual.

The Programme Sponsor will monitor performance to manage risks related to timescales and budget overspend.

The Council previously worked with PWC in 2023 to carry out a review of its workforce and identify potential savings. Officers now seek authority to enter into a new contract with PWC to build on the previous work by assisting with the redesign of the Council’s organisational resources in order to create efficiencies in service delivery and cost.

PwC has significant experience in both local government structures and statutory functions as well as organisational and resourcing models. This, coupled with their familiarity with the Council’s structure and current staffing model means that they are able to mobilise and begin design work at a faster pace than a consultant/advisor who is new to the programme. The familiarity with Council structures as a

result of the work previously undertaken means that it is possible for the Council to avoid a loss of pace in delivery and possibly accelerate its plans in order to realise savings within the required timeframes.

Officers are proposing the award of the contract under Lot 2 CCAS. CCAS is a framework operated by Barnet Council for the purpose of providing consultancy services, risk management, internal audit and counter fraud services to the public sector.

Lot 2 is a single supplier Lot which was awarded to PwC following a rigorous public procurement process. Officers are proposing the use of the direct award procedure under the framework agreement. Legal Services have confirmed that a direct award under Lot 2 is required to award a contract to PwC.

Officers have carried out the evaluation of the CCAS Framework and find that the scope of services which it requires from PwC is covered by the services to be supplied under the CCAS Framework.

3. Alternative options considered and rejected

The option to use internal resources for this programme was considered and discounted. The work requires specific knowledge of both organisational delivery models and staffing efficiency. Having an independent contractor with knowledge of both will enable the programme to move forward more quickly and achieve the benefits sooner.

The cost-of-living crisis and reduction of public sector financing, especially in relation to the local authorities and the funding that they receive means that “doing nothing” is not an option.

An alternative option would also be to run a competitively advertised procurement, however given the need to deliver a new organisational resource design and carry out its implementation at pace the timescales do not allow for this.

4. The services

The Organisational Resourcing programme looks at how we operate as an organisation. It aims to identify where we are duplicating work, highlights any gaps, analyses the structure of our teams, and looks at the efficiencies of our processes and technologies.

The four key objectives of Organisational Resourcing are:

1. Deliver £8m savings in 2024/25 rising to annual savings of £16m on current costs from 2025/26
2. Improve resident experience.

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3. Improve colleague experience.
4. Embrace new technologies and innovation.

The Council has, through the Organisational Resources programme, identified a route to close the £16m budget gap that is forecast to arise from FY 2025/26.

This is a significant and complex programme of change, that will need to be:

- Resourced with the appropriate skills and expertise to deliver organisational change, utilising internal and external resources.
- Able to identify and plan for digital and operational quick win / transformational opportunities.
- Coordinated - to run the workstreams in parallel, through a single programme governance; and
- Delivered at pace - co-designed and validated with directorates, consulted on and planned for delivery by the end of July 24, with sufficiently agile governance and decision-making mechanisms to support this pace.

A milestone delivery plan is being finalised and the payment plan will be aligned to this plan. There is therefore a risk that the work under this contract award will be completed and fully paid for before the savings are fully realised. This will be minimised by a partnership approach between HCC and PwC to manage delivery and tracking of savings under organisational resourcing proposals.

5. **Consultation** (*see Summary of Requirements below*)

Was any Councillor consulted? Yes

If yes:

(a) Comments of Executive Member

Noted and agreed R&P Exec Member Briefing **05 February 2024**

(b) Comments of other consultees

None

6. **Any conflict of interest declared by a councillor who has been consulted in relation to the decision**

N/A

7. Following consultation with the Executive Member/Committee Chairman, **I am proceeding with the proposed decision.**

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Signed: *Scott Crudgington*

Title: Scott Crudgington, Deputy Chief Executive & Director of Resources

Date: 16/02/2024

Copies of record to:

- All consultees
- hard & electronic copy (if required to be made available for public inspection) to Democratic Services Manager - Room 213 County Hall.ⁱⁱ

Summary of Requirements to Inform/Consult Councillors

Significance of Proposed Action	Controversial	Relevant Councillor(s) to be Consulted
Technical/Professional/ Routine	No	No need to inform or consult councillors
Technical/Professional/ Routine	Yes	Executive Functions: Consult relevant Lead Executive Member and, where appropriate, Local Councillor Non-Executive Functions: Relevant Committee Chairman and, where appropriate, Local Councillor
Local	No	Executive Functions: Inform Lead Executive Member and Local Councillor Non-Executive Functions: Inform Local Councillor
Local	Yes	Executive Functions: Consult Lead Executive Member and Local Councillor Non-Executive Functions: Consult Local Councillor
General or County-wide	No	Executive Functions: Consult relevant Lead Executive Member (s) Non-Executive Functions: Consult relevant Committee Chairman
General or County-wide	Yes	Executive Functions: Consult relevant Lead Executive Member (s) and the Leader of the Council Non-Executive Functions: Consult relevant Committee Chairman/Leaders all Political Groups

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