



## Mayor and Cabinet

### **Report title: Approval of Expenditure under a Contract for Network Links to be awarded by Shared Technology Services**

**Date:** 10 May 2023

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director of Corporate Resources.

### **Outline and recommendations**

This report presents Mayor and Cabinet with information on the procurement of the Council's contract for Network Links, and requests approval of the expenditure and for Brent to enter into the contract on the Council's behalf.

Mayor and Cabinet is recommended to:

approve Brent entering into the contract with London Grid for Learning Trust for a period of five years, commencing 1 April 2023, on behalf of the Council.

- approve the expenditure of up to a maximum value of £600,000 for the Lewisham element of the contract.

## Timeline of engagement and decision-making

Shared Technology Services have discussed the procurement with key stakeholders in Lewisham.

### 1. Summary

Shared Technology Services (STS) is a shared ICT service comprising the three London Boroughs of Brent, Lewisham and Southwark. The governance of the service is set out in an Inter Authority Agreement (IAA). Lewisham Council joined with Brent Council to form the shared service in April 2016, and Southwark Council joined later, in November 2017. STS provides IT infrastructure management and support to the three partner councils. Additional supported services include networks, messaging and collaboration services, support for end-user devices such as laptops, tablets and mobile phones, as well as providing the service desk to resolve IT-related incidents and requests. Brent is the lead council in the respect that it is the employer for all officers within STS and also carries out procurements and is the contracting authority on behalf of STS. The services provided by STS include the procurement and management of network links for each of the three councils and between the STS datacentres. The procurement is undertaken in accordance with the Procurement Protocols in the IAA.

All three STS partners, including Lewisham use network links to connect their multiple sites to the network and for internet access. The services also include some broadband lines to deliver internet connectivity to remote sites.

These services are currently provided through two contracts – one with Vodafone Ltd and one with the London Grid for Learning Trust.

These contracts expire on 31 March 2023, and a new contract is to be put in place to replace them. The proposed contract term is five years. This gives the optimum saving on annual costs, by spreading implementation costs over the five year term.

This report summarises the procurement process, request approval of expenditure and for Brent to award and enter into the contract on the Council's behalf.

Under the terms of the Inter Authority Agreement, the London Borough of Brent will award the contract, but it is also necessary for Lewisham Mayor and Cabinet to agree the award recommendation.

Clarification was sought as to whether any of these requirements covered Lewisham Homes links. To confirm, the current scope does not include any specific Lewisham Homes links. Lewisham's costs are for links to Lewisham Council sites only. We are aware that there are 3 additional Lewisham Homes sites with small broadband links. But, these have not been covered within this report and a decision has not been made as to whether these are moved into this contract in future at present.

### 2. Recommendations

It is recommended that Mayor and Cabinet:

- (a) approves Brent awarding and entering into a single contract on behalf of the Council with London Grid for Learning Trust for a period of 5 years commencing on 1 April 2023.

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- (b) approves the expenditure of up to a maximum value of £600,000 for the Lewisham element of the contract.

### 3. Background

Shared Technology Services currently has two contracts for the provision of network links. These are with Vodafone Ltd and London Grid for Learning Trust. Both contracts expire on 31 March 2023 and it therefore necessary to put a new contracting arrangements in place.

### 4. The Procurement Process

The procurement was conducted by Brent as Host Council in accordance with the procurement protocol in the Inter Authority Agreement. The contract will be entered into by Brent on behalf of itself, Lewisham and Southwark Councils. The Inter Authority Agreement entitles Brent to recover its costs in relation to the procurement and the costs of the resulting contract.

It is proposed to replace the two contracts with a single contract in order to achieve economies of scale and management efficiencies. The options available to STS for the procurement of the contract are either to make a direct award to London Grid for Learning Trust using their single supplier framework with Virgin Media, or to carry out a tender.

In order to determine the most advantageous route, a soft market testing exercise was conducted [by Brent] in which four suppliers participated. The information gathered from this exercise is primarily set out in Part 2 of this report.

Further discussion and negotiation will take place with London Grid for Learning Trust (LGfL) on what they can provide from a social value perspective in respect of delivering this contract”.

Following this exercise, the recommendation for the desired solution is that provided by London Grid for Learning Trust (LGfL). There are a number of reasons for this:

- LGfL provided a comprehensive response to the soft-market test.
- LGfL already has a good understanding of the STS network - being the existing provider for Southwark’s network circuits.
- LGfL uses Virgin Media (VM) as its circuit provider. VM circuits are already in place for Southwark and were previously used for many of the Brent and Lewisham sites before Vodafone became the supplier there. This means the connectivity to the bulk of sites across the partners is already in place and so will cause least disruption. It will also minimise the risk of paying for dual running over an extended period, which would happen if these circuits were to be moved to an alternative provider.
- LGfL’s cost estimate is very competitive over the 5 year period. It provides for professional services, all hardware aspects and is a fully managed service.
- STS has a strong working relationship with LGfL, and options for streamlining services to achieve savings whilst still delivering the required quality have already been proposed by them, providing the opportunity to reduce costs further. Continuing the relationship with LGfL will enable STS to benefit from their existing understanding of the network and this collaborative approach.
- LGfL provided a very explicit response to the request for details of social value to be included in the contract. The social value proposed includes free of charge broadband and dedicated internet access circuits for a number of community premises and a digital inclusion fund, and demonstrates an excellent understanding of how social value might be delivered to all three councils.

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- LGfL has a comprehensive Social Value offering, including Business broadband circuits and internet access for some community premises for each borough; a digital inclusion fund to support local communities; use of Virgin Media staff volunteering hours; and access to discount schemes for council staff.

The award will be made using LGfL's single supplier framework with Virgin Media Business.

LGfL is a company limited by guarantee that was founded in 2001 by a consortium of 33 London councils which are the sole members of and have direct supervisory management of LGfL. It is therefore considered that LGfL is a public body subject to public law. It is a contracting authority that acts as a Central Purchasing Body on behalf of itself and other contracting authorities.

LGfL established an agreement with Virgin Media Business on 29<sup>th</sup> November 2013 for the provision of broadband, telecommunications and related ICT services for the benefit of schools and other educational establishments, Councils, libraries, public service organisations (specifically including public health service providers) and charities in accordance with the Public Contracts Regulations 2006. A Contract Award Notice was published in the OJEU on 18 December 2013 (2013/S 245-427165). The agreement runs from 1 January 2014 to 31 December 2026 (108 months). The Contract Notice identified that LGfL was procuring the services on behalf of other contracting authorities, including Councils. There is no charge to contracting authorities for using the agreement.

Other means of procuring the contract were considered by officers in Shared Technology Services but it was determined that use of the Framework, rather than procuring a contract by formal open tender is best in terms of the reduction in time-scales, costs and resources involved.

## 5. Financial implications

This report recommends the approval to award a contract to London Grid for Learning Trust for a period of five years, commencing 1 April 2023, up to a maximum value of £600,000 for the Lewisham element of the contract.

The cost of the network links included in the contract over the five year period, that are used for Lewisham sites is as follows:

Year 1 FY2023/24	Year 2 FY2024/25	Year 3 FY2025/26	Year 4 FY2026/27	Year 5 FY2027/28	Overall Total Cost
£119,481	£119,481	£119,481	£119,481	£119,481	£597,405

The cost of the new contract can be contained within the overall IT & Digital shared service budget which stands at £4m and represents an approx £50,000 saving per annum on current costs.

This represents a £50,000 saving per annum on current costs, which are £169,000, being £164,000 through the Vodafone contract, and a £5,000 for connection to Microsoft's Azure Cloud service through the LGfL contract.

## 6. Legal implications

The Council has delegated the delivery of its ICT functions to the London Borough of Brent in exercise of its powers under section 101(1)(b) and 101(5) Local Government Act 1972 and Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. A Shared Technology Services Inter Authority Agreement regulates the provision of the shared

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service (including in relation to procurements conducted by Brent on the councils' behalf) and the relationship between the participating councils.

Brent have conducted a procurement exercise to select the supplier of services in accordance with the Inter Authority Agreement and the Procurement Protocol contained within it. The estimated value of the proposed contract is above the threshold for Supplies/Services under the Public Procurement Regulations 2015 (the "Regulations") and Brent are therefore required to comply the Regulations, which permit Brent (as a contracting authority) to acquire supplies or services from another contracting authority (i.e. LGfL) that is acting as a Central Purchasing Body which is providing centralised purchasing activities.

It is proposed that Brent enters into the resulting contract on behalf of itself, Lewisham and Southwark. This report seeks approval for Brent to do so on behalf of Lewisham. This report also seeks approval to fund the shared technology services costs resulting from the procurement and resulting contract up to a maximum value of £600,000. The decision is therefore a key decision which is reserved to Mayor and Cabinet.

## **7. Equalities implications**

The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

## **8. Climate change and environmental implications**

There are no direct climate change or environmental implications arising from this procurement.

## **9. Crime and disorder implications**

There are no direct crime and disorder implications arising from this procurement.

## **10. Health and wellbeing implications**

There are no direct health and wellbeing implications arising from this procurement.

## **11. Background papers**

None

## **12. Report author(s) and contact**

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Comments for and on behalf of the Executive Director for Corporate Resources

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Provide the name of the author of the financial implications.

Comments for financial implications provided by Peter Allary.

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