



CABINET

11 DECEMBER 2018

DIRECTOR OF FINANCE - IAN DUNCAN

**CABINET MEMBER WITH RESPONSIBILITY FOR: FINANCE - COUNCILLOR
LONGLEY**

Subject:	Corporate Travel and Accommodation contract
Recommendations:	Cabinet are asked to: <ol style="list-style-type: none">1. Award the travel and accommodation contract for 4 years, expiring on 30/11/2022.2. Agree that delegated authority be given to the Executive Director of Finance, in consultation with the Cabinet Member for Finance, for LGSS Procurement, on behalf of the Authority, to direct award through an existing public sector framework, securing travel and accommodation arrangements, which will then be used on a corporate basis.

1. Purpose of report

- 1.1 This report seeks approval to re-procure the corporate travel and accommodation booking provision. It would enable the Authority to continue with an online booking facility, which allows staff to more efficiently book agreed essential travel and accommodation, for the purposes of undertaking Council business.
- 1.2 This contract will provide a booking solution for UK and international rail and air travel (e.g. in the instances of children in care) and accommodation. The corporate contracted services will affect all officers of the Council who need such travel and accommodation arrangements, including Directors and Social Workers etc.
- 1.3 In addition, the proposed mode offers enhanced controls on the booking of journeys and / or accommodation, central reporting as well as consolidated invoicing.
- 1.4 The proposal wishes to utilise the North East Purchasing Organisation (NEPO) Framework Agreement (NEPO507) in order to award the contract for the provision of Corporate Travel and Accommodation to the single supplier.
- 1.5 This framework will also be utilised by our LGSS partners, Cambridgeshire County Council and Milton Keynes Council.

2. How this decision contributes to the Council plan

2.1 The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative helps the Council to deliver this vision through the following strategic priorities outlined in the Council Plan
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| <ul style="list-style-type: none">• Providing services that have a clear cost avoidance impact. |
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3. Background

3.1 The current agreement for making travel and accommodation arrangements was procured through a Crown Commercial Services (CCS) framework (RM1034). Given the enforced spending controls due to the current Section 114 notice and the nature of this marketplace, utilising national frameworks are the best solution for going to market, rather than the Authority going out to tender directly. LGSS Procurement have reviewed the various frameworks and have chosen the NEPO framework, which not only offers known providers in the marketplace, but also allows the incumbent provider the opportunity to be considered. Alternative national frameworks are available to use, however, despite all of them offering an online booking facility, no other additional benefits were identified. The incumbent's offering includes Government discounted hotel rates, which will contribute to a reduction in costs.

3.2 The new contract will see the continued use of a self-service online portal, to encourage staff to book journeys / accommodation in advance and to consolidate costs and invoicing. This is alternative to using the many websites and agents which exist on the Internet with varying fees and charges.

3.3 In 17/18, the Authority spent £255k with our current supplier via the online portal. An estimated further £67k was spent using Government Procurement Cards (GPC), plus additional monies relating to transactions processed through the payroll system for which figures are unavailable. So far in 18/19, circa £92k has been spent with the current supplier and an estimated £25k via GPC cards. Again, year-to-date figures processed through payroll are unavailable. Reducing spending via the alternative methods used i.e. GPC and reimbursement via payroll, will be explored separately in order to maximise the use of the corporate contract.

3.4 Milton Keynes Council started to use the CCS framework in November 2016 and have seen overall savings of between 10 and 20%. In using the NEPO framework, the Authority would look to potentially achieve a similar savings percentage.

3.5 The additional benefits of this corporate approach will result in a monthly single consolidated invoice being submitted and processed for all transactions. Limits

and restrictions will be set on travel and hotel costs, which are expected to provide greater control. This solution will provide the Authority with robust and detailed monthly management information, which includes analysis of travel, accommodation and CO2 usage. The booking service is available 24/7, all year round.

3.6 The procurement of the North East Purchasing Organisation (NEPO) Framework Agreement (NEPO507) is compliant with the Council's Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4. Consultation and Scrutiny

4.1 Prior to selecting this particular framework, consultation took place with colleagues in the Social Care Directorate who are one of the most frequent users of the portal, booking travel and accommodation for staff e.g. social workers on a daily basis. This contract affects all service areas across the Authority.

5. Equality Screening

Reason that no EqlA is required	✓ as appropriate
The paper is for information only	
The proposal/activity/decision has no impact on customers or the service they receive	✓
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive*	
Other (Please explain further)	

*Where a proposal affects staff, the appropriate HR processes will be followed, which have already been subject to the EqlA process and will be compliant with HR legislation

6. Alternative Options Considered

- A. Allow staff to book travel and accommodation in an ad-hoc manner with no formal contract in place, which will result in an increase in vendors in ERP Gold, increased admin costs and the volume of invoices being processed. Therefore, this would lead to having little or no control on costs and / or compliance.
- B. Allow staff to continue to use Government Procurement cards (GPC), increasing volume/distribution of expenses. Again, this would lead to having little or no control on costs
- C. Allow staff to continue to book travel and accommodation and to obtain reimbursement through payroll. Encouraging staff to use the contract would see a reduction in the transactions processed by payroll, thereby avoiding the need for staff to self-fund.
- D. Preferred option is to use the North East Purchasing Organisation (NEPO) Framework (NEPO507) and subsequently award to the single supplier. To implement a corporate approach to booking travel and accommodation via a corporate contract, using a single online portal, setting limits and restrictions through the portal, thereby controlling spending.

7. Financial Implications

7.1 Using the NEPO framework does not require any initial cost outlay from the Authority. Money is paid via a monthly direct debit payment, with costs being recharged to individual team budgets, via submission of a consolidated invoice.

	Current year		Forecast	
	2018/19	2019/20	2020/21	2021/22 & beyond
	£000	£000	£000	£000
Capital Investment	0	0	0	0
Costs	0	0	0	0
Funded by				
On-going costs (revenue)	0	0	0	0
Costs - Staffing	0	0	0	0
Other	0	0	0	0
Total on-going costs (revenue)				
Funding by	Pay as you use contract through individual team budgets, same as current arrangement.			

What benefits will the proposal deliver?	<ul style="list-style-type: none"> • Tighter controls on spend and better value for money. • Improved reporting and transparency • Consolidated invoicing • Monitor patterns of travel per service area • Robust visibility of booking information
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8. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
The website is unavailable	Users can make bookings using GPC card or other online travel / accommodation services.	Amber/Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Allow staff to book travel and accommodation through a range of methods with the potential for reduced spending control due to the fragmented approach.	Amber

9. List of Appendices

N/A

Author:	Name: Matt Griffiths (Procurement Officer) Team: LGSS Procurement
Contact details:	Tel: 07920245737 Email: magriffiths@northamptonshire.gov.uk
Background Papers:	N/A
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so please outline the timetable here	YES – see below.
Does the report include delegated decisions? If so, please outline the timetable here.	YES – If Cabinet approve matter, for the Section 151 Officer to authorise a direct award from the framework.
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES – Discussed with James Smith. N/A – Revenue spend.
Has the report been cleared by the relevant Director?	YES Name of Director: Ian Duncan (initially discussed with James Smith)
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Finance (Cllr Longley)
Has the relevant scrutiny committee been consulted?	N/A
Has the report been cleared by Legal Services?	YES Name of solicitor: Debbie Carter-Hughes
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property Issues been cleared by Property and Asset Management?	N/A – However, James Wheeler has approved
Have the Procurement Implications below been referenced in the Paper: <ul style="list-style-type: none"> • Have you evidenced compliance with the Council's Contract Procedures Rules? • Have you made clear in this paper where you are seeking Cabinet to approve an exemption from the Contract 	YES Name of officer: Gus de Silva (Deputy Head of Procurement)

<p>Procedure Rules and detailed the risks and mitigations?</p> <ul style="list-style-type: none"> • Have you identified any EU or UK legislative risks such as non-compliance with the Public Contract Regulations Act 2015, transparency and open competition? • Have you identified the procurement risks associated with a contract? 	
Are there any community safety implications?	NO
Are there any environmental implications:	NO
Are there any Health and Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	N/A