



DECISION OF DIRECTOR OF CORPORATE SERVICES

DECISION NO.CSD 55

SUBJECT: Direct award appointment of Impower Consulting Ltd under the ESPO Consultancy Services framework agreement to assess opportunities for savings via demand management initiatives in recycling and SEN transport

Background:

The Council is seeking to employ demand management approaches, including those based on behavioural economics and psychology (often called 'nudge' techniques) to contribute to the Medium Term Financial Plan savings target. There is a specific savings target in the MTFP for 'nudge' initiatives and there are significant further savings to identify for 2017/18 on.

There is evidence, including the work of the national 'nudge' unit to suggest that significant savings are possible through these approaches which avoid 'cuts' in services, by reducing unnecessary demand.

Impower consulting have a proven methodology for working with local authorities to identify significant savings from demand management approaches, and have been appointed under the ESPO Consultancy Services Framework Agreement, (also known as the Pro5 agreement).

Commission Cost £91,000 excluding VAT and expenses. (Expenses will be capped at a maximum of £4000).

Decision: To make a direct award of contract to identify opportunities for savings from demand management initiatives to Impower Consulting Ltd

Reasons:

The direct award route is recommended since the work is of a specialist nature and can be commissioned under a well-established national Framework Agreement. There is also an urgency in progressing this work in order to contribute savings as quickly as possible.

Impower consulting have an established approach for demand management, and have undertaken work with other local authorities, including in the specific areas of recycling and SEN transport which have been identified as priorities, with a high likelihood of identifying savings.

The rates are those in the Framework Agreement, but a significant reduction in cost has been achieved by ensuring the correct skills mix in the consultancy team, with fewer days

from the most expensive staff and agreeing that expenses are capped at £4000 as opposed to Impower's standard terms of 10%.

Other Alternatives Considered:

Consideration has been given to seeking alternative consultants but was discounted due to the specialist nature of the work and the urgency in light of in year budget pressures. In house staff currently lack expertise in demand management approaches, but in employing consultants it is anticipated that a knowledge transfer will occur, enabling in house staff to undertake similar projects in future, with greater confidence in delivery.

Risk Assessment:

The approach minimises risks of delay and the use of a Framework Agreement ensures that the rates are competitive.

Financial Implications:

This work is being commissioned as an 'invest to save' initiative, in the expectation that it will help to secure planned savings and identify additional opportunities. The costs will be met from the Corporate Risk reserve.

Signed W. Talsman
Director of Corporate Services

Dated 19/10/2016