

Business Planning / MTFs Options 2019/20 – 2023/24

Ref: PL10

Title of Option:	LCP Revenue		
Priority:	Place	Responsible Officer:	Barry Phelps
Affected Service(s):	LCP	Contact / Lead:	Barry Phelps

Description of Option:
 The London Construction Programme (LCP) is a virtual organisation managed by the Head of Procurement in Haringey. The LCP provide a suite of pan London construction related frameworks that are accessible by Public Sector organisations.

Towards the end of 2018/19 the LCP will establish a new pan London Dynamic Purchasing System (DPS) in partnership with Construction line. The DPS will be for the provision of construction related professional services and minor works.

The DPS will generate revenue through a subscription. There are currently 43 LCP members. It is anticipated at least 50% of the current LCP membership will access the DPS. Subscriptions range between £15k and £25k per member depending upon how many DPS categories they access. Assuming 50% of LCP members subscribe at the mid-point, this will generate £440k of revenue per annum effective 2019/20.

Taking into account additional operational costs associated with the DPS and other resources in Strategic Procurement, it is anticipated there will be an annual surplus of £200k.

Existing Budget	-100				
Proposed net expenditure after savings	-300				
Savings	200	0	0	0	0
New net additional savings (year on year)	200				

Impact / non-financial benefits and disbenefits
<p>What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i></p>
<p>N/A</p> <p>Customers will not be directly impacted.</p>
<p>What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i></p>
<p>DPS will increase SME interaction and enhance localism throughout London</p>
<p>How does this option ensure the Council is able to meet statutory requirements?</p>
<p>Provides a compliant route to market for procurement activity in this sector</p>

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Demand for service changes unexpectedly	M	L	At present, research has shown that there isn't another organisation that provides access to a professional services DPS platform which covers the categories we are proposing. Quick mobilisation of the team will enable access to the market against only a small number of competitors.
Lack of appetite amongst LCP members for professional services DPS platform	H	L	Pre-market engagement has indicated this is a low risk with 80% of LCP members interested. Increase in the marketing strategy through the existing LCP MW 2014 framework agreement. Due to the natural correlation between the MW 2014 framework and the proposed DPS platform it would be more effective to re-energising the client base.
Reputational risk if the project is not considered a success within Haringey and amongst the existing LCP client base	H	L	Haringey have learned from several DPS implementations, adequate resource, project governance, realistic project timescales and detailed scoping are key activities to ensure a successful implementation. It is proposed to use the newly established DPS team to project manage the implementation of the DPS alongside the LCP.