



LEAD MEMBER FOR RESOURCES AND CLIMATE CHANGE

DECISIONS to be made by the Lead Member for Resources and Climate Change,
Councillor Nick Bennett

TUESDAY, 8 JUNE 2021 AT 3.00 PM

CC2, COUNTY HALL, LEWES

++PLEASE NOTE, THE LEAD MEMBER WILL NOT BE PRESENT IN PERSON, BUT WILL TAKE
THE DECISIONS REMOTELY ++

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 25 May 2021 (*Pages 3 - 4*)
- 2 Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
- 3 Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Any urgent non-exempt items previously notified under agenda item 3
- 5 Modernising Back Office Systems (MBOS) - Contract Award (*Pages 5 - 6*)
Report by the Chief Operating Officer
- 6 Former Wadhurst Household Waste Recycling Centre, Wadhurst (*Pages 7 - 10*)
Report by the Chief Operating Officer
- 7 Ocean House, Hastings - lease renewal (*Pages 11 - 12*)
Report by the Chief Operating Officer
- 8 Exclusion of public and press
To consider excluding the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 9 Modernising Back Office Systems (MBOS) - Contract Award - exempt information (*Pages 13 - 138*)
Report by the Chief Operating Officer
- 10 Former Wadhurst Household Waste Recycling Centre, Wadhurst - exempt information (*Pages 139 - 152*)
Report by the Chief Operating Officer
- 11 Ocean House, Hastings - Lease renewal - exempt information (*Pages 153 - 160*)
Report by the Chief Operating Officer

12 Any other exempt items previously notified under agenda item 3

PHILIP BAKER
Assistant Chief Executive
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28 May 2021

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NOTE: *As part of the County Council's drive to increase accessibility to its public meetings, this meeting will be broadcast live on its website is accessible at:*
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LEAD MEMBER FOR RESOURCES AND CLIMATE CHANGE

DECISIONS made by the Lead Member for Resources and Climate Change, Councillor Nick Bennett, on 25 May 2021 at County Hall, Lewes

1 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 30 MARCH 2021

1.1 The Lead Member approved the minutes of the meeting held on 30 March 2021 as a correct record.

2 REPORTS

2.1 Reports referred to in the minutes below are contained in the minute book.

3 SOUTH EAST GRID NETWORK SERVICES FRAMEWORK AWARD

3.1 The Lead Member considered a report by the Chief Operating Officer.

DECISIONS

3.2 The Lead Member RESOLVED to (1) approve the award of the South East Grid Network Services Framework Agreement and East Sussex County Council Call-Off Contract to the preferred supplier; and

(2) authorise the Chief Operating Officer to take all necessary actions in relation to the award of contracts.

Reasons

3.3 The procurement will meet the objectives of putting in place a contract to provide the digital infrastructure required to meet the increasing demands for high speed connectivity by the County Council, its schools, and the residents and businesses of East Sussex. It will also play an enabling role and contribute towards digital inclusion and recovery of the local economy.

4 EXCLUSION OF PUBLIC AND PRESS

4.1 It was RESOLVED to exclude the public and press for the remaining agenda items on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

5 SOUTH EAST GRID NETWORK SERVICES FRAMEWORK AWARD - EXEMPT INFORMATION

5.1 The Lead Member considered a report by the Chief Operating Officer which contained exempt information.

DECISIONS

5.2 The Lead Member RESOLVED to approve the award of the South East Grid Network Services Framework Agreement and East Sussex County Council Call-Off Contract to the chosen supplier.

Reasons

5.3 A full EU Restricted (two stage) procurement process has been carried out and a detailed evaluation of compliant bids has been undertaken.

Report to: Lead Member Resources and Climate Change

Date of meeting: 8 June 2021

By: Chief Operating Officer

Title: Modernising Back Office Systems - Contract Award

Purpose: This report requests approval for the award of the Modernising Back Office Systems contract(s) (to replace the Enterprise Resource Planning System) by the Lead Member Resources and Climate Change.

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) approve the award of the Modernising Back Office System contracts (to replace the Enterprise Resource Planning system) to the preferred suppliers; and
 - 2) delegate authority to the Chief Operating Officer to take any action the Chief Operating Officer considered appropriate to give effect to the above recommendation, including but not limited to, agreeing the terms and entering into these contracts and dealing with their implementation and delivery.
-

1. Background

- 1.1. The current SAP Enterprise Resource Planning (ERP) system was implemented in 2004 and will no longer be supported by SAP beyond 2027. The current ERP system supports the Council's back office processes and transactions. Without a fully supported ERP system the Council would be unable to continue to deliver services without considerable risk.
- 1.2. Consideration was given to the options of "do nothing" and procure an upgrade or alternative ERP system, and approval was given in September 2019 to commence the procurement process for a replacement ERP system and an implementation contract.
- 1.3. ESCC has completed a full EU restricted procurement procedure to consider suppliers and systems that could provide a new ERP platform for the next 10 years.
- 1.4. The procurement will put in place contracts for the supply and implementation of a replacement ERP system to replace the Council's existing ERP SAP.
- 1.5. The evaluation of the invitation to tender (ITT) bids was concluded in May 2021 and a preferred bidder has been identified. Given the value of the contract, the contract award is a Chief Officer and Lead Member decision.
- 1.6. There are two parts to the contract award: the first is the award of the contract for provision and hosting of the system over a 10 year period; the second an implementation contract to run concurrently with the system provision.

2. Supporting information

Procurement Process

- 2.1. A full EU Restricted (two-stage) procurement process commenced on 20th August 2020, with initial responses to the Selection Questionnaire (SQ) received on 22nd September 2020.
- 2.2. Fourteen compliant responses were received by the SQ deadline. Following evaluation of the submissions six suppliers were shortlisted and invited to tender.

- 2.3. The Invitation to Tender (ITT) stage commenced on 16th October 2020 and responses were received on 11th December 2020.
- 2.4. Following receipt of tenders, an evaluation and clarification process commenced, which resulted in a preferred supplier being identified 10th May 2021.
- 2.5. Following the approval of the contract award, all suppliers will be notified, and a 10-day standstill period will commence. Upon completion of the standstill period the contracts can be awarded to the preferred suppliers.

Contractual Arrangements

- 2.6. Two contracts are proposed as below:
 - i. A contract to secure the services of an implementation partner to provide the professional services to deliver the proposed ERP system.
 - ii. A direct contract will also be entered into with the implementation partner's proposed ERP system supplier to provide the licences, subscription, hosting and associated support services.
- 2.7. Both contracts will be in place for an initial period of 7 years, with the Council's option to extend these up to a further 3 years, to provide a maximum 10-year contract term.
- 2.8. Once the contracts have been awarded, the Council will work with the suppliers to implement the core ERP system incorporating the Council's core functionality (or 'must have' requirements) that the supplier has committed to delivering.
- 2.9. During the implementation phase, the Council will also agree any optional enhancements (or 'should have' requirements) that will be implemented. In the first phase of delivery these additional requirements are based on a time and materials rate card and are not part of the financial evaluation being optional.

Benefits

- 2.10. The financial and additional contractual benefits are presented in Part 2.

3. Conclusion and reasons for recommendations

- 3.1 The procurement will meet the objective of putting in place a modern ERP system required to meet the current and future needs of ESCC.
- 3.2. For the reasons set out in this report it is recommended that the award of the implementation and system provision contracts to the preferred suppliers are approved and the Chief Operating Officer is authorised to take all actions the Chief Operating Officer considers appropriate to give effect to the award, implementation and delivery of the contracts.

PHIL HALL

Chief Operating Officer

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BACKGROUND DOCUMENTS

None.

Report to: Lead Member for Resources

Date of meeting: 8 June 2021

By: Chief Operating Officer

Title: Former Wadhurst Household Waste Recycling Centre, Wadhurst

Purpose: To agree the disposal of a declared surplus asset following the completion of the marketing of this asset.

RECOMMENDATIONS

The Lead Member for Resources is recommended to:

- 1) Agree to the disposal of the asset following the marketing of the site in Spring 2021 and an analysis of the offers contained in the Exempt report at a later agenda item;
- 2) Delegate authority to the Chief Operating Officer to secure best value in accordance with s123 of the Local Government Act 1972.

1 Background

- 1.1 At the Lead Member for Resources meeting in October 2020, authority was agreed to declare the former Wadhurst Household Waste Recycling Centre (HWRC) site surplus to operational requirements. In addition, authority was given to proceed with the disposal of the asset to a preferred bidder. Unfortunately, the preferred bidder did not complete the sale due to economic uncertainty arising from the coronavirus pandemic. The Council decided in January 2021 that remarketing of the property was the preferred route. The property was subsequently re-offered to the market in Spring 2021. Offers were received and a preferred purchaser has now been selected for the Lead Member to consider. The offers received in Spring 2021 were at higher values than the original marketing exercise in mid-2020.
- 1.2 In Spring 2021, Wealden District Council received an application to register the site as a community asset under the Community Right to Bid legislation as defined under the Localism Act 2011. East Sussex County Council were consulted as freeholder owners and did not object. Wealden District Council reviewed the application for the asset to be listed and determined the criteria was not met and notified East Sussex County Council in April 2021.
- 1.3 In tandem to the Community Right to Bid application the Council had re-commenced marketing of the property. The period of marketing was extended a few weeks in Spring 2021 and by this time the outcome of the Community Right to Bid application to Wealden District Council had been made.
- 1.4 The Council has reviewed offers and an analysis has been undertaken to understand the wider set of financial and non-financial benefits reflecting the Council's Community Asset Transfer policy. In conclusion, a preferred purchaser has been selected based on their proposal (i.e. likelihood / ease of obtaining planning for their proposal) as well as the strength of their financial offer.
- 1.5 The location can be seen in the plan in appendix 1.

2 Supporting information

- 2.1 The decision required relates to reviewing the offers received and determining that the Council now proceeds to sell the freehold of former Wadhurst HWRC, Faircrouch Lane, Wadhurst to the selected bidder as outlined in appendix 2 of the later Exempt report under item 10 of the agenda.

- 2.2 The property marketing in early 2021 has been well received in the marketplace drawing seven private offers and a single community offer.
- 2.3 The disposal of the asset will provide a capital receipt that will contribute to the Council's capital programme.
3. **Conclusion and reasons for recommendations**
- 3.1 It is recommended that the Lead Member agrees for the disposal of the freehold to the highest bidder as outlined in appendix 2 of the later Exempt report under item 10 of the agenda. If the sale is not completed in a timely manner, then the next best bidder is considered.
- 3.2 It is recommended that the Lead Member agrees to delegate authority to the Chief Operating Officer to approve the details of the disposal to the preferred bidder as outlined in paragraph 3.1.

Phil Hall
Chief Operating Officer

Contact Officer: Peter Smith

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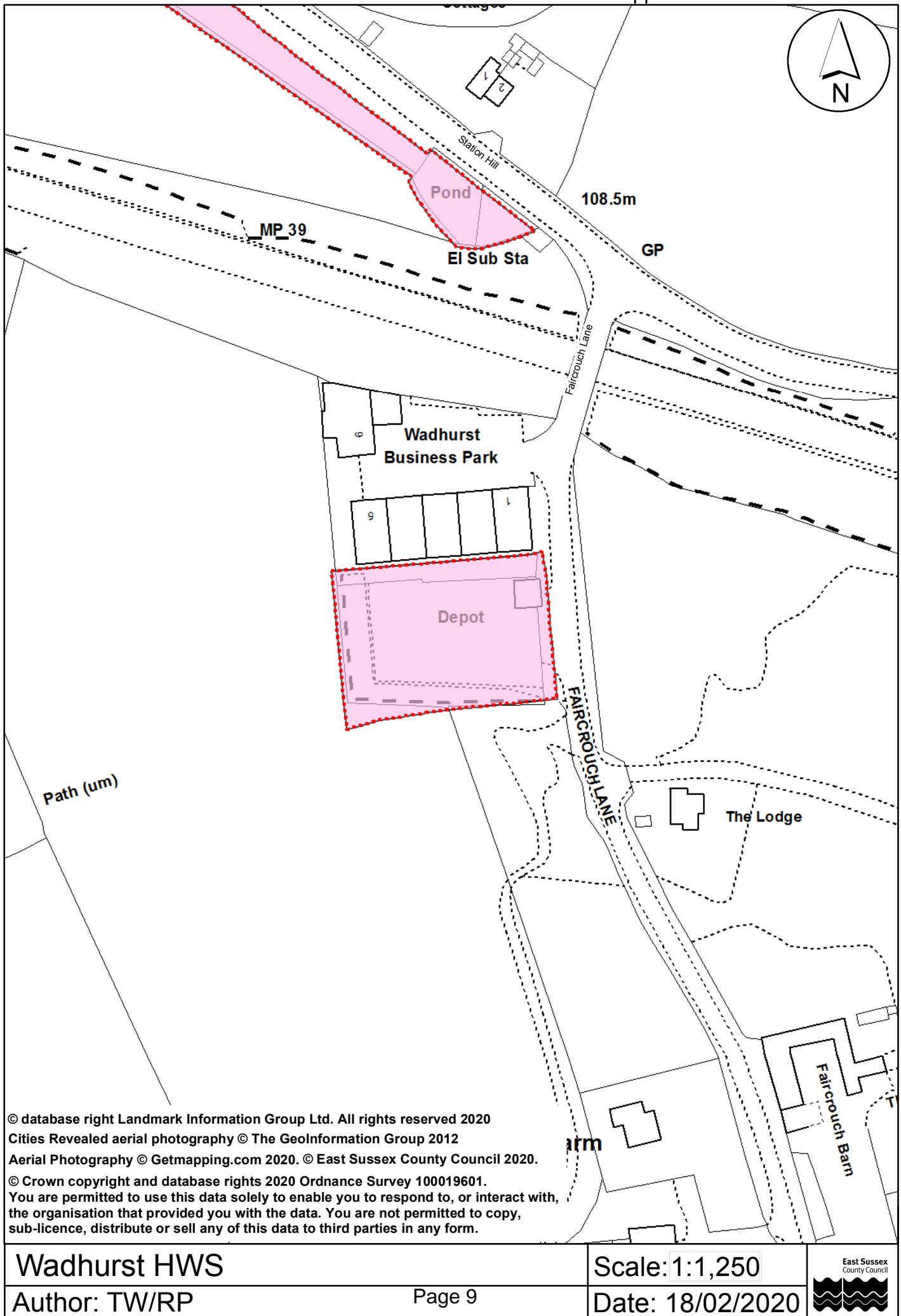
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LOCAL MEMBERS

Cllr Bob Standley



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Report to: Lead Member for Resources and Climate Change

Date of meeting: 8 June 2021

By: Chief Operating Officer

Title: Ocean House, Hastings – lease renewal

Purpose: To agree the lease renewal of Ocean House, Hastings

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) Agree to the proposed lease terms of Ocean House contained in the Exempt report at a later agenda item;**
 - 2) Delegate authority to the Chief Operating Officer to secure best value in accordance with s123 of the Local Government Act 1972.**
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1 Background

- 1.1 The Council has been reviewing its office requirements based on business needs for frontline services in key localities. One of the key offices is Ocean House, Hastings. The Council leases several floors where most leases expire in September 2021.
- 1.2 Informal negotiations have taken place over the last few months with the landlord of Ocean House, Hastings. Property heads of terms have been agreed and these are attached in Exempt report appendix 1. The intention is to enter a 2-year lease back dated to 25 March 2021 and to expire in March 2023.

2 Supporting information

- 2.1 The Council does not lease the whole of Ocean House but currently occupies several floors (ground to 4th floor and 11th & 12th floors). There is under-croft storage and car parking on the site. The property is very close to Hastings railway station.
- 2.2 At present, extensive discussions are taking place with Services on their future working arrangements as part of the workstyles review. The current working assumption is that, for Ocean House, office needs will continue to require most floors (ground to 4th floor and 11th floor) to be retained, but the 12th floor can be relinquished.
- 2.3 The provisionally agreed lease terms include an equated rental figure at the same rate as 2016 lease; this compares favourably to a general increase in office rents in this locality. The service charge provisions have also been capped, providing certainty for rent and outgoings over the next two years. In the Exempt report (Appendix 2) this sets out the budget implications in more detail however, it shows a budget saving.
- 2.4 It should be noted that the landlord at Ocean House is now considering re-developing the site for residential development. However, it is understood that the landlord's current plans are to secure permitted development rights first and to convert Ocean House later. If Hastings BC approve the conversion of the office to residential units, the landlord will need to implement it within 3 years or seek a renewal of the residential consent.
- 2.5 The legal documentation has been drafted and ESCC are in possession of the draft agreement. Property and Legal will work together to agree the documentation before the end of June 2021 on the terms proposed.
- 2.6 If the lease is not completed by the end of June 2021, the Exempt report outlines the Council's accommodation strategy in more detail.
- 2.7 As part of the workstyles project, when further services return to Ocean House later on this year, a review could take place to look at business needs and map out future alternative office bases for staff who need to be based in Hastings or other ESCC bases within the county.

3. Conclusion and reasons for recommendations

- 3.1 It is recommended that the Lead Member Resources and Climate Change agrees the lease renewal of Ocean House as outlined in the Exempt report.
- 3.2 It is recommended that the Lead Member Resources and Climate Change agrees to delegate authority to the Chief Operating Officer to approve the final lease negotiations and ensure the legal documents are in place that represent best value under s123 of the Local Government Act 1972.

Phil Hall Chief Operating Officer

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LOCAL MEMBER
Councillor Beaver

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