

**MUNICIPAL YEAR 2018/2019 REPORT NO.**

**MEETING TITLE AND DATE:**  
Corporate Insurance Arrangements  
04/03/19

**PORTFOLIO DECISION  
OF**  
Cabinet Member for  
Finance & Procurement

**REPORT OF:**  
Executive Director of  
Resources

<b>Agenda – Part:1</b>	<b>Item:</b>
<b>Subject: Corporate insurance Arrangements</b>	
<b>Wards: ALL</b> <b>Key Decision No:4660</b>	
<b>Cabinet Member consulted: Cllr Maguire</b>	

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**1. EXECUTIVE SUMMARY**

1.1 The Council's insurance cover is provided through a mix of internal (self-insurance) and external arrangements. Having adequate external insurance in place is integral to the functioning of the authority, enabling the Council to meet insurable financial losses that may arise from the delivery of services.

1.2 The Council's existing insurance contract is due to expire on 31/03/19. A tender exercise has now been carried out for the Council to enter into a five year Long Term Agreement (LTA) for 01/04/19 – 31/03/24.

1.3 Tender evaluation and pricing information are detailed within the enclosed Part 2 report.

1.4 The Council is a founding member of the Local Government Association (LGA) Mutual and remains committed to joining the mutual at some stage. We have thoroughly investigated the possibility of joining the mutual for this Contract and based on the information currently available it is difficult for the Council to make a financial commitment at this point. However, this route will be considered at the 3 year break of the contract.

**2. RECOMMENDATIONS**

2.1 To award the main corporate insurance contract and the leasehold right to buy contract to the recommended bidders as detailed in the Part 2 report.

2.1 To note the savings achieved through this tender exercise.

### 3. BACKGROUND

#### 3.1 Current Insurance Arrangements

The Council's Insurance programme consists of the leasehold right to buy policy (which is recharged in full to leaseholders) and the main corporate insurance policies which cover the usual business activities of the Council. A summary of the current insurance arrangements are detailed in paragraphs 3.1 and 3.2 below –

##### 3.1.1 Corporate Insurance Cover

The Corporate insurance cover is provided through a mixture of internal (Self-insurance) and external arrangements. The Council's insurance fund meets the costs of self-insured claims and claims within the policy excesses, up to the aggregate stop limit (maximum payable by the Council in each policy year). Costs of claims above these levels are met by the external insurance providers.

The different categories of insurance under the current contract are detailed below –

Category	Insurer	Policy Deductible (excess)
Property	Zurich Municipal	£500,000
Additional covers Property	Zurich Municipal	£0 - £10,000
Liability	Aspen	£500,000
Fidelity Guarantee	Zurich Municipal	£25,000
Motor	Zurich Municipal	£500,000
Group Personal Accident & Travel	Zurich Municipal	£0
Engineering Inspection	Zurich Municipal	n/a

##### 3.1.2 Leasehold Right To Buy Buildings Insurance Cover

As a freeholder, the Council arranges buildings insurance on behalf of its residential leaseholders. The insurance provides 'standard cover' and is rated on a bedroom basis, which in effect means that premiums are set on a one, two, three or four bedroom unit, regardless of their location and actual rebuild value.

A summary of the arrangement is detailed below

Number of bedrooms	Number of units	Insurer
1	858	OCASO
2	2518	
3	1501	
4	9	

### **3.2 Review of current insurance arrangements**

3.2.1 The Council's existing insurance contract is due to expire on 31/03/19.

3.2.2 An actuarial review was undertaken in 2017/18 with the objective to ensure that the Council was achieving value for money whilst ensuring that suitable cover was in place to mitigate their insurable risks.

3.2.3 As part of this review, the Council's financial position, claims history, current insurance position, statutory position and risk profile were considered in detail. Consideration was also given to an alternative, higher deductible. This review allowed the Council to review the insurance programme to ensure that it had the right balance between risk and reward and to calculate the impact of considering a higher deductible.

3.2.4 Insurers tend to view local authorities as high risk mainly due to the risks associated with many statutory council functions and also the traditional risk structuring such as low policy excesses that many local authorities have historically favoured.

3.2.5 Due to the increased costs of premium at last renewal, it was considered that the Insurance Contract should be tendered rather than try to agree a one year extension. Tendering the Contract was favoured as it was likely to provide some premium savings. A one year extension was likely to result in a significant increase in premium.

### **3.3 The tender exercise**

3.3.1 The Insurance market is somewhat restricted for Local Authority risks and the market can be influenced by various factors such as expensive claims, global exposures and the economic climate. Insurers tend to mitigate their losses by imposing stricter requirements and raising premiums.

3.3.2 The local authority insurance market has traditionally been dominated by three major Insurers. Given the complex nature of insurance and to enable the council to access other Insurers and generate market interest, JLT Speciality Ltd, a firm of Insurance brokers, was appointed to conduct the tender exercise.

3.3.3 The Insurance Contract was split into Leasehold right to buy insurance cover and the main Corporate Insurance cover.

3.3.4 For the Main Corporate Insurance Cover the Crown Commercial Services (CCS) Framework for insurance (RM3731) was used. This framework provides a list of insurance companies who have already expressed interest in the public sector insurance market. All providers have already been initially assessed as being capable of providing the range of insurances required by local authorities. This reduces the risk of the Council

placing business with an insurer who may not have adequate financial capabilities or who is unable to provide adequate coverage or fully appreciate the specialised risks involved in Council operations.

3.4.5 Most insurers who are capable and willing to insure local authorities are already on the CCS Framework. Their terms & conditions have already been agreed and the need to conduct lengthy negotiation or consultation is reduced. Non-cashable savings will be made because the timescales of the process and the resources required will be reduced. However, a Brokers Management fee of 0.75% premium and Insurance Premium Tax (IPT) is payable.

3.4.6 By using the framework route it is hoped that competitive rates will be offered as a result of comparison between providers that are already assessed as capable of supplying to the local authority market. This approach was used successfully in the previous tender in 2014 (Key Decision 3810) and also for the appointment of Aspen for public Liability insurance in 2015 (Key Decision 3994), both of which resulted in a small decrease in premium costs.

3.4.7 For the leasehold right to buy insurance contract the CCS framework was not used. The market for this type of insurance is extremely limited and one large insurer (who is the Council's current leasehold right to buy Insurer) is no longer listed on the CCS framework. To ensure that the contract was opened up to as many bidders as possible a decision was made to procure this insurance via the OJEU process.

3.3.8 For the main Corporate insurance cover, the risks were split into the following lots –

Lot 1	Property – including Material Damage, Contract Works, Commercial Leased properties, Fine Arts
Lot 2	Liability
Lot 3	Fidelity Guarantee (FG)
Lot 4	Motor, including uninsured loss recovery
Lot 5	Group Personal Accident (PA) & Travel
Lot 6	Engineering Inspection

3.3.9 Quotations were sought for cover based on the existing deductibles and also for an increased deductible on a number of specified lots – please see below

Lot	Description	Current	Alternative
1	Property	£500,000	£1,000,000
2	Liability	£500,000	£1,000,000
3	Fidelity Guarantee (FG)	£25,000	£25,000
4	Motor	£500,000	£1,000,000
5	Group Personal Accident (PA) & Travel	£0	£0
6	Engineering Inspection	n/a	n/a

*Please note that Lot 6 is in relation to statutory inspections for Engineering equipment/plant and no deductible is applicable, as this is not technically an insurance cover.*

3.3.10 In addition to the 2 deductible options the Council also requested bidders to provide quotations which would include a break clause, so the Council could cancel the Contract at any time to join the Local Government Association Mutual, if they so wished, without any financial penalties being imposed.

3.3.11 All quotations were requested on a 3 +1 +1 duration (after 3 years the Council has the option to cancel or extend the LTA for 2 years on an annual basis) with and without the break clause.

3.3.12 During the tender period a project was undertaken to re-evaluate all Council buildings to ensure that the sum insured figure was an accurate reflection of the Council's risks. As a result of this exercise the sum insured increased dramatically for all council owned buildings, including Schools and leasehold Right to buy properties.

3.3.13 On the positive side the Council's claims experience is good and is a positive reflection of the sound risk management policies and processes that exist within departments.

3.3.14 All received bids were evaluated by considering not only the price, but also the quality of the offering. The bids were assessed using the following weightings -

Lot No. & Description	Price	Weighting		
		Policy cover	Claims Service	Added Value*
Lot 1 (Property) Lot 4 (Motor) Lot 5 (PA/Travel)	60%	20%	10%	10%
Lot 2 (Liability)	50%	30%	10%	10%
Lot 3 (FG)	65%	25%	5%	10%
Lot 6 (Engineering)	55%	35%	n/a	10%

\*to include policy add-ons, risk management, social benefits, innovation

3.3.15 With regards to the assessment on price maximum points were awarded to the lowest bidder. A formula was used to adjust the scores for all remaining bidders to reflect the percentage difference in price. For each 1% higher the premium is than the lowest price quoted 6 points were deducted.

3.3.16 For the Leasehold Right to buy Contract, tenders were sought for 1 contract duration on a Long Term Agreement; 3 +1 +1 years (after 3 years the Council has the option to cancel or extend the LTA for another year). Quotations for the provision of a break clause were also sought, but no bids were received.

3.3.17 For the leasehold right to buy contract, bids were assessed against the criteria set out in figure 1 below –

Criteria	Weighting
Price	55%
Assessment of Policy Cover and Administration Requirements	30%
Claims Service	10%
Added Value ( <i>policy add-ons, risk management, social benefits</i> )	5%

### 3.4 Tender responses

3.4.1 6 Insurers submitted quotations for lots under the Corporate Insurance cover contract and 4 Insurers submitted quotations for the leasehold right to buy insurance contract. Full details are contained within the Part 2 report.

### 3.5 Points to note

3.5.1 The recommended bid is for a five year contract duration (3 year +1 +1) subject to an annual review retaining the current deductible levels. This LTA will offer the Council the benefit of premium discounts and fixed rates throughout the duration of the contract.

3.5.2 As is typical with Insurance LTAs there are usually no breaks during the fixed contract duration. However, quotations have been requested to include a break clause, which would allow the Council to terminate the contract during the contract duration with no financial penalties. It should be noted that the quotations which provide a break clause attract a higher premium, which would need to be paid for the duration of time that the Council's risks were insured with the relevant insurer. Please see Part 2 of the report which details which Insurers have provided quotations for this scenario.

3.5.3 Where Insurers have not provided quotations for a break clause, were the Council to opt to terminate the contract before the end of the 3 year duration, it could be liable to repay to the Insurers all discounts offered as part of the LTA.

3.5.4 The premiums offered are valid for a specific duration of time (only for timescales specified in this tender exercise) and are based on the Council's current risk profile, claims experience and total property valuation.

3.5.5 The premiums may be subject to change if there is a deterioration in the Council's risk profile, claims experience or total property valuation.

3.5.6 Where the Council acquires a significant number of properties during the insurance contract period, there is flexibility to add these to the insurance contract although an additional premium may be required.

3.5.7 All Council residential leaseholders were consulted in line with the requirements under Section 20 of the Landlord Tenant Act.

3.5.8 All premiums payable for the leasehold right to buy contract are paid by leaseholders via annual service charges and all savings achieved under the leasehold right to buy tender are passed onto the Council's residential leaseholders.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

##### **4.1 Increased deductibles**

4.1.1 Quotations were sought, in respect of the main classes of business (Property, Liability and Motor), for the existing deductible (£500,000) and an increased deductible of £1,000,000.

4.2.2 All bidders provided quotations for both levels. an increased deductible for the main classes of business.

4.2.3 Whilst an increased deductible would provide some premium savings, a balance needs to be made between any premium savings and the risk of the Council receiving a claim that is valued over the existing deductible of £500,000. The quotations received are unlikely to provide sufficient savings to offset the risk of a high value claim being made in the Contract year.

##### **4.2 Joining the Local Government Association (LGA) Mutual**

4.2.1 Due to the limited number of insurance companies in the market willing to insure local authorities, the LGA are developing an Insurance Mutual. The Mutual aims to offer affordable, high quality risk transfer and risk management through a mutual structure for the benefit of the local government sector.

4.2.2 The London Borough of Enfield is a founding member of the LGA Mutual and it was hoped that the Mutual would be able to provide terms to the Council for insurance cover to commence on 01/04/19. However, at the time of tendering the Contract in December 2018 the LGA Mutual was unable to offer any terms, as they were still in the process of finalising their business model.

4.2.3 Discussions have taken place between the Council and the LGA Mutual. The LGA Mutual has advised that they will be able to provide quotations from 01/04/19; although it is unclear when cover could commence. Unfortunately it is not possible to delay placement of the Council's insurable risks until more is

known about what the Mutual have to offer because the Council's existing insurance policies expire on 31/03/19 and it would be an unacceptable risk to leave the Council wholly uninsured for any period of time.

4.2.4 The Mutual have advised that they should be able to offer terms to the Council for insurance cover to commence on 01/04/20; at which point the Council may wish to place their insurable risks with the LGA Mutual. In order to keep this as an option the Council would need to place the business with those Insurers who have provided a break clause.

4.2.5 The LGA Mutual have confirmed that the Council would not be required to place all their insurable risks with the Mutual, however if the Council wishes to join the Mutual then they would be required to place significant classes of business, such as Lot 1 (Property) and Lot 2 (Liability) with the LGA Mutual.

4.2.6 Fewer insurers provided break clause quotations than provided quotations for the standard 3 +1 +1 duration, with the quotes including a break clause costing significantly more than those without a break clause. Retaining the option of joining the LGA Mutual in one or two years rather than wait for the 3 year renewal break would be more expensive.

### **4.3. Self-insurance**

4.3.1 Self-insurance would result in premium savings but brings the need to maintain adequate level of resources to meet all likely claims/ liabilities against the organisation.

4.3.2 If the contract is not re-tendered, the Council will have to completely self-insure against its liabilities. The ability to self-insure is dependent on the provision and maintenance of an adequate internal insurance fund, which for complete self-insurance may be in the tens of million pounds.

4.3.3 As a measure of the risk arising from claims against the Council over the last five years, the value of reserves has fluctuated between £402k to £3.4m, with reserves in excess of £1m for a small number of claims. Whilst the value of future claims is difficult to predict, it would be necessary to increase the value of the Fund to cover these potential liabilities. In the current financial climate, it is prudent to continue to insure externally for those major/ catastrophic risks that the Council may not be able to meet should they occur.

## **5. REASONS FOR RECOMMENDATIONS**

5.1 To award the Insurance contracts to the recommended bidders as detailed in the Part 2 report will ensure the Council complies with legislative requirements and has adequate financial protection in the event of a major loss.



## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

See Part 2 report. As a result of this procurement exercise the Council have been able to negotiate significant savings.

### **6.2 Legal Implications**

6.2.1 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.

6.2.2 Furthermore, the Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.

6.2.3 The insurance services are above the threshold where the Public Contracts Regulations 2015 (the Regulations) require a European tender exercise. For its corporate insurance cover, the Council has conducted a mini competition under CCS Framework Agreement for Insurance (RM3731). The service has confirmed that the Council is a Contracting Authority which is eligible to use this Framework Agreement. The use of Framework Agreements is compliant with and allowed for in the Regulations.

6.2.4 For the Leasehold right to buy insurance cover, the service has confirmed that an OJEU process was conducted in accordance with the Regulations.

6.2.5 The decision to award the insurance contracts is a Key Decision and therefore needs to comply with the Council's governance process in respect of Key Decisions including publication in the Forward Plan (see CPR1.22.4).

6.2.6 The contracts need to be in a form approved by the Director of Law and governance.

6.2.7 The Cabinet Member has power to approve these recommendations under CPR 1.22.

### **6.3 Property Implications**

Property Services have been consulted on this process and the schedules of property to be insured have been checked.

#### **6.4 Procurement Implications**

The procurement has been carried out in line with the Councils Contract Procedure Rules, EU and UK regulations.

### **7. KEY RISKS**

7.1 If the Council fails to procure a new insurance contract, its assets and liabilities will be uninsured with effect from 01/04/19.

7.2 Where financial liabilities are or could be incurred, adequate funds must be set aside to meet them. In the absence of adequate external insurance arrangements, the Council will potentially be faced with unlimited financial liabilities.

7.3 There is a risk of the premiums rising within the duration of the Contract due to a deterioration in claims experience, change in risk profile or an increase in sums insured.

### **8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

#### **8.1 Good homes in well-connected neighbourhoods**

Adequate insurance ensures the protection of an adequate housing supply in the event of a catastrophic loss of housing stock.

#### **8.2 Sustain strong and healthy communities**

Safeguarding the Council's funds ensures that necessary monies are preserved for vital council services, such as those who benefit the health of the community.

#### **8.3 Build our local economy to create a thriving place**

For those considering an event/project with the Council knowing that the Council has adequate insurance may influence their decision to invest. The presence or lack of insurance may be the deciding factor for those considering investing in the local economy or contemplating working in partnership with LBE for a joint initiative or event. It is therefore imperative for the Council to be adequately insured, so as to attract investment and initiatives that allow Enfield to thrive.

### **9. EQUALITIES IMPACT IMPLICATIONS**

It is not relevant or proportionate to undertake an equalities impact assessment/analysis of the tender of the Council's Insurance contract as the items summarised in this report only affect the Council's ability to meet financial losses arising from its insurable risks.

Where a third party suffers loss due to negligence on part of the Council, the loss will be assessed on the basis of legal liability determined by the facts of the incident and not on an individual's personal circumstances or characteristics.

#### **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

There are no specific performance management implications arising from this report.

#### **11. HEALTH AND SAFETY IMPLICATIONS**

There are no direct health & safety implications arising from this report.

#### **12. HUMAN RESOURCES IMPLICATIONS**

There are no direct HR implications arising from this report.

#### **13. PUBLIC HEALTH IMPLICATIONS**

Items summarised in this report do not have a direct impact on the health and well-being of the public in Enfield.



**MUNICIPAL YEAR 2018/2019 - REPORT NO.**

**ACTION TO BE TAKEN UNDER  
DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF**

**Kari Manovitch, Acting director of Customer  
Experience and Change**

**REPORT OF:**

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<b>Agenda - Part:</b>	<b>Item:</b>
	<b>Subject: Continued participation in the London Libraries Consortium via a new framework agreement for the provision of the shared library management system and entering into contract with the framework contractor</b>
	<b>Wards: All</b>
	<b>Key Decision No: KD 4840</b>
	<b>Cabinet Member consulted: None</b>

**1. EXECUTIVE SUMMARY**

Enfield Library Service has been a member of the London Libraries Consortium (LLC) since 2008. The LLC manages the provision of a shared library management system (LMS) that holds the details of all stock and library memberships for the 16 participating London Library Services.

The current framework agreement for the existing LMS ends on 31<sup>st</sup> March 2019. The London Borough of Sutton, on behalf of the LLC, has established a Framework Agreement for the provision of a shared LMS for the four-year period 2019-2023 and awarded the contract to Sirsi Dynix.

This report looks at the best option for the implementation and delivery of a new LMS and seeks approval to enter into a contract with Sirsi Dynix under the LLC Framework Agreement.

## **2. RECOMMENDATIONS**

1. To enter into a call-off contract from the LLC Framework Agreement with Sirsi Dynix, the Library Management Service provider appointed under the framework, with the provision of the shared library management system for the four-year period 2019-2023.
2. Formation of a Systems Transition Team to manage the migration, reimplement, reintegration over to the new library management system with Third Party and Council systems and decommission of current management system. The team to include representatives from Libraries, ICT Project Management and Financial Management teams.

3) further details held in part 2

Further details held in Part 2

## **3. BACKGROUND**

Enfield Library Service has been a member of the London Libraries Consortium (LLC) since 2008. The LLC procures and manages the technology and services that enable libraries to function. This includes the provision of a library management system (LMS) that holds the details of all stock and library memberships for 16 London Library Boroughs. This seamless integration has huge benefits for the residents of these boroughs, enabling adults and children to access over 5.7 million items of stock.

The existing library management Framework Agreement governs the relationship between the LLC and Axiell, the current supplier in respect of the services supplied. The current Framework Agreement with Axiell ends on 31<sup>st</sup> March 2019. A total of 17 LLC authorities have signed up to this Framework Agreement which enables them to purchase goods and services at competitive rates, including a shared Library Management System. A discount is paid to the LLC in return for each new authority that signs up to the current Framework Agreement and this will be a feature of the new Framework Agreement.

From April 2017, the London Borough of Sutton has taken the lead on establishing a new Framework Agreement and developing a new specification, in consultation with the other members of the London Libraries Consortium.

The LLCs requirement was for a new LMS that is innovative, within budget resources, and which allows for the development of new service provisions currently not available throughout any of the 16 authorities. Sixteen authorities have demonstrated their commitment to the procurement of a new LMS and to continuing their membership of the LLC.

### **3.1 Scope of new framework agreement**

The new framework agreement will run for four years with the potential to extend. The tender process and framework agreement will be managed by LB Sutton on behalf of the LLC with ongoing support from Sutton's Legal Services and Corporate Procurement teams.

Sirsi Dynix will implement a new library management system with the capacity to control stock procurement, stock circulation, financial management and library memberships and more, across multiple local authorities concurrently.

Sirsi Dynix will manage the seamless transfer of data from the existing LMS to the new system in partnership with each authority and work in partnership with other service providers to deliver a state of the art library services platform that enables member authorities to easily plug-in or remove services, thereby combining the benefits of consortium connectivity with responsiveness to local needs.

Sirsi Dynix will be required to replace the existing library management system in accordance with a detailed specification, deliver timely staff training and, enable the system to go live simultaneously for all consortium members.

Sirsi Dynix will be required to ensure that the new platform enables customers to fully interact with library services through their smart phones and other devices and should revolutionise the current self-issue services, enabling customers to use mobile devices to self-serve for the borrowing of stock or to book attendance at an event or class.

Sirsi Dynix will be required to market and promote these new 21<sup>st</sup> century services in a high-profile way, so that the public have widespread awareness of these improvements. Sirsi Dynix will be required to improve the online visibility of London's public libraries, when the public is searching for books, classes or information services.

### **Systems transition**

It is proposed that a Systems Transition Team is formed to manage the migration, reimplement and reintegration of the new library management system with Third Party and Council systems. The team to include representatives from Libraries, ICT including a Project Manager and Technical Architect and Financial Management teams.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

The “do- nothing” option is not viable because the existing framework agreement ends on 31<sup>st</sup> March 2019.

Should Enfield elect not to participate in the new LLC Framework Agreement, then we will be required to leave the LLC on 31<sup>st</sup> March 2019. This will result in Enfield having to tender for a new library management system to provide services at a borough level, resulting in a reduced offer to our customers. We will also incur all costs for the creation of a new contract or framework agreement, including all legal and procurement costs, plus additional disaggregation and migration costs to transfer data from the LLC to the new library management system and allocate staff to undertake these processes.

A second option considered was to continue with the current supplier. However, this was rejected claiming the current contract has rolled over for several years and that a look at new systems is well overdue. The current contract had been in place in most of the 16 authorities for over 13 years, which is not best practice or compliant with current procurement rules and regulations.

#### **5. REASONS FOR RECOMMENDATIONS**

Details held in Part 2

##### **Customers**

The development of an open standards-based platform within a cloud-based environment, provides immense advantages in terms of enhanced scalability and connectivity, thereby enabling other organisations (like publishing houses) to link to the platform. It will also permit connection with APIs (Application Programming Interface) with the potential to then link to any new applications that may be of interest to library users.

The platform will have the potential to enable other public library services to link to the LLC through the development of new APIs. Ultimately the platform will have the potential to enable all library systems across England to connect.

Customers will benefit from an enriched social library, as the new platform will enable customers to interact, pass on recommendations and post reviews.



The new platform will enhance links with mobile technology enabling customers to use their smart phones or laptops to order or reserve items. It may also be possible that apps on smart phones can be used for customers to self-serve within libraries. This may achieve efficiency savings in terms of reduced expenditure on existing self-service equipment at library sites.

The new platform will be intuitive and easy to use with clear help facilities and will enable the distribution of personalised marketing notices based on customer records.

Achieving a point of single sign-on should enable customers to access all the Council online sites and links through one sign-on.

### **Staff**

The design of the new system will be tested by front line staff as part of the implementation process. This should ensure that the efficiency of the system for ordering stock, making payments and other core functionalities is assessed by experienced staff and should lead to an improvement on current transaction processes and an improvement in staff productivity.

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

*Please see part two of the DAR for financial details.*

### **6.2 Legal Implications**

6.2.1 Under the general power of competence contained in section 1(1) of the Localism Act 2011, the Council has the power to do anything individuals may do, provided this is not prohibited by legislation and is subject to Public Law principles. The Council further has power under section 111 Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The recommendations in this Report are in accordance with these powers

6.2.2 The contents of this report constitute a Key Decision and this item has been included in the Key Decision List with reference: KD: 4840.

Once approved, the decision to proceed will be subject to the usual five-day call-in period.

6.2.3 The Council must comply with all requirements of its constitution and Contract Procedure Rules. The Council proposes to directly award the contract to Sirsi Dynix in accordance with the LLC Framework rules. The Framework permits direct award and the Council must ensure it complies with the "direct award rules" of the Framework when entering into the call-off contract.

6.2.4 Throughout the engagement of Sirsi Dynix as a service provider, the Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999. The Council must keep a clear audit trail of its decision to award these services to Sirsi Dynix in order to demonstrate that best value has been and will continue to be obtained for the Council.

6.2.5 All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by Legal Services.

### **6.3 Property Implications**

N/A.

### **6.4 Procurement Implications**

All procurement must be carried out in conjunction with the Councils Contract Procedure Rules; UK & EU legislation.

Any framework used must be in conjunction with the rules of the framework.

### **6.5 ICT Implications**

10.1.1 Ongoing costs are already included in the ICT budget as we are not proposing to change the support base or structure/staff numbers.

10.1.2 The system is fully hosted and supported by the supplier

## **7. KEY RISKS**

As previously discussed in 4. **ALTERNATIVE OPTIONS CONSIDERED.....**

Should Enfield elect not to participate in the new LLC Framework Agreement, then we will be required to leave the LLC on 31<sup>st</sup> March 2019. This will result in Enfield having to tender for a new library management system to provide services at a borough level, resulting in a reduced offer to our customers. We will also incur all costs for the creation of a new contract or framework agreement, including all legal and procurement costs, plus additional disaggregation and migration costs to transfer data from the LLC to the new library management system and allocate staff to undertake these processes.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Good homes in well-connected neighbourhoods**

- The new LMS (Responsive Web, Mobile, AI etc) will enhance the social value to residents within LLC Boroughs as it will improve the access to and speed of access to information regarding events in their local area and across the LLC. Many of these high-quality events are free for residents and will help engage residents that may otherwise be hard to reach for libraries.

### **8.2 Sustain strong and healthy communities**

- The new LMS will have several elements that will enhance interaction between residents, either within Boroughs, across the LLC or across the wider library world. For instance, user reviews that can be shared on the platforms, or via social media will encourage the further consumption of physical or digital content. In addition, the proposed virtual book club will enable very specific interest groups to engage and discuss literature that would otherwise be too obscure to form a local reading group for in an individual library. Accessing and using these services will impact on literacy and enjoyment through reading.
- The marketing and automation services within the new LMS/Plug-Ins will help facilitate and manage (in an automated fashion) communications on specific interest areas with residents. This contact will encourage residents to come into the library and visit more and this will help improve social value by reducing social isolation in key groups in our communities.

### **8.3 Build our local economy to create a thriving place**

- The new LMS (Responsive Web, Mobile, AI etc) will enhance the social value to residents within LLC Boroughs as it will improve the access to and speed of access to information regarding events in their local area and across the LLC. Many of these high-quality events are free for residents and will help engage residents that may otherwise be hard to reach for libraries.

### **9 EQUALITIES IMPACT IMPLICATIONS**

Please see Appendix 1.

### **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

*Please refer to Part 2*

### **11. HEALTH AND SAFETY IMPLICATIONS** N/A.

### **12. HUMAN RESOURCES IMPLICATIONS** N/A.

### **13. PUBLIC HEALTH IMPLICATIONS**

Enfield Libraries promote community participation, social inclusion, health and wellbeing by being a universal service accessible to all.

Should Enfield elect not to participate in the new LLC Framework Agreement, this in turn is likely result in a reduced offer to Enfield residents. Potentially, this could have a negative impact on the public health of some Enfield residents.

### **Background Papers**

N/A.

## Enfield Council Predictive Equality Impact Assessment/Analysis

NB if there is likely to be an impact on different groups of staff as a result of this proposal, please also complete a restructuring predictive EQIA form

### Action plan template for proposed changes to service, policy or budget

Title of decision: Continued participation in the London Libraries Consortium via a new framework agreement for the provision of the shared library management system

Team: Libraries

Department: FRCS

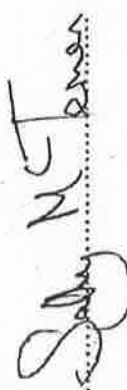
Service manager: Peter Di Biasio

Identified Issue	Action Required	Lead Officer	Timescale / By When	Costs	Review Date/ Comments
Equalities monitoring	Baseline equalities data to be extracted from OpenGalaxy LMS	Peter Di Biasio	31/03/2018	N/A	
Equalities monitoring	Quarterly equalities data to be extracted from new library services platform	Peter Di Biasio	First working day of each financial quarter for initial 12 months of operation	N/A	

Date to be Reviewed: At end of initial 12 months of LSP operation

APPROVAL BY RELEVANT ASSISTANT DIRECTOR: SALLY McTERNAN

SIGNATURE.....



This form should be emailed to [joanne.stacey@enfield.gov.uk](mailto:joanne.stacey@enfield.gov.uk) and be appended to any decision report that follows.



## Enfield Council Predictive Equality Impact Assessment/Analysis

NB if there is likely to be an impact on different groups of staff as a result of this proposal, please also complete a restructuring predictive EQIA form

<b>Department:</b>	<b>FRCS</b>	<b>Service:</b>	<b>Libraries</b>
<b>Title of decision:</b>	Continued participation in the London Libraries Consortium via a new framework agreement for the provision of the shared library management system	<b>Date completed:</b>	29/08/2017
<b>Author:</b>	Mark Bennett Resources Manager, Enfield Library Service	<b>Contact details:</b>	Tel: 020 6379 2703 Email: mark.bennett@enfield.gov.uk
<b>1</b>	<b>Type of change being proposed: (please tick)</b>		
Service delivery change/ new service/cut in service	<input checked="" type="checkbox"/>	Policy change or new policy	<input type="checkbox"/>
	<input type="checkbox"/>	Grants and commissioning	<input type="checkbox"/>
	<input type="checkbox"/>		Budget change
<b>2</b>	<b>Describe the change, why it is needed, what is the objective of the change and what is the possible impact of the change:</b>		
	<p>Enfield Library Service has been a member of the London Libraries Consortium (LLC) since April 2008. The LLC procures and manages the technology and services that enable libraries to function. This includes the provision of a library management system (LMS) that holds the details of all stock and library memberships for 17 London Library Services. This seamless integration has huge benefits for the residents of these boroughs, enabling adults and children to access over 5.7 million items of stock.</p> <p>The Framework Agreement for the current library management system ends on 31<sup>st</sup> March 2018. The LLC is seeking to procure a new shared Library Services Platform that will include all the functionalities of the existing library management system and also enable continuous utilisation of new technological developments to enrich the public experience of engaging with library services.</p> <p>The new Library Services Platform will:</p>		





- Provide the on-going adaptability to ensure that library systems can continuously interface with new technology that the public is using via smart phones and apps as their preferred method of accessing library services.
- Provide enhanced connectivity with other organisations, so that libraries can interface with a wider number of agencies whose business is associated with books, reading development, cultural services or simply getting information into the public domain via libraries.
- Enable customers to interact online, providing comments on books and recommendations, thereby promoting the use of libraries through the development of an online libraries community.

**3 Do you carry out equalities monitoring of your service? If No please state why?**

The current library management system facilitates equalities monitoring for the following groups:

- Disability
- Gender
- Age
- Race
- Religion & Belief
- Sexual Orientation

**4. Equalities Impact**

Indicate Yes, No or Not Known for each group

	Disability	Gender	Age	Race	Religion & Belief	Sexual Orientation	Gender reassignment	Pregnancy & Maternity	Marriage & Civil Partnerships
1. Does equalities monitoring of your service show people from the following groups benefit from your service? (recipients of the service and the proposed change)	Yes	Yes	Yes	Yes	Yes	Yes	Not Known	Not Known	Not Known
2. Does the service contribute to eliminating discrimination, promote equality of opportunity, and foster good relations	Yes	Yes	Yes	Yes	Yes	Yes	Not	Not	Not



between different groups in the community?									Known	Known	Known
3. Could the proposal discriminate, directly or indirectly these groups?	No	No	No	No	No	No	No	No	No	No	No
4. Could this proposal affect access to your service by different groups in the community?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5. Could this proposal affect access to information about your service by different groups in the community?	No	No	No	No	No	No	No	No	No	No	No
6. Could the proposal have an adverse impact on relations between different groups?	No	No	No	No	No	No	No	No	No	No	No

**If Yes answered to questions 3-6 above – please describe the impact of the change (including any positive impact on equalities) and what the service will be doing to reduce the negative impact it will have.**

Library membership is available free-of-charge to anyone who lives, works or studies in Enfield regardless of their group. Services to library members include access to resources including books, CDs, DVDs, audiobooks, periodicals, eBooks, eAudiobooks, eMagazines, eLearning and eReference resources.

Membership of the London Libraries Consortium enables participating library services to share resources and thereby offer library members a far wider range of resources than would be possible for an individual library service to provide.

**\*If you have ticked yes to discrimination, please state how this is justifiable under legislation.**

N/A



5. Tackling Socio-economic inequality	Indicate Yes, No or Not Known for each group						
	Communities living in deprived wards/areas	People not in employment, education or training	People with low academic qualifications	People living in social housing	Lone parents	People on low incomes	People in poor health
Will the proposal specifically impact on communities disadvantaged through the following socio-economic factors?	No	No	No	No	No	No	No
Does the service or policy contribute to eliminating discrimination, promote equality of opportunity, and foster good relations between different groups in the community?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Could this proposal affect access to your service by different groups in the community?	No	No	No	No	No	No	No
<b>If Yes answered above – please describe the impact (including any positive impact on social economic inequality) and any mitigation if applicable.</b>	<p><b>Library membership is available free-of-charge to anyone who lives, works or studies in Enfield regardless of their socio-economic status. Services to library members include access to resources including books, CDs, DVDs, audiobooks, periodicals, eBooks, eAudiobooks, eMagazines, eLearning and eReference resources.</b></p> <p><b>Membership of the London Libraries Consortium enables participating library services to share resources and thereby offer library members a far wider range of resources than would be possible for an individual library service to provide.</b></p>						
<b>6. Review</b>							
<b>How and when will you monitor and review the effects of this proposal?</b>							

Any other socio-economic factor  
Please state



Baseline equalities data to be extracted from current library management system on 31<sup>st</sup> March 2018.

Equalities data to then be extracted quarterly from new library services platform on first working day of each financial quarter for initial 12 months of operation.

