

**Report of: Head of Intelligence Public Health/Infrastructure**

**Report to: Consultant in Public Health**

**Date: 18<sup>th</sup> March 2015**

**Subject: Report to seek approval to waive Contract Procedure Rules 8.1 and 8.2 and enter into contract with Experian Plc for the provision of Experian Mosaic Software**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Geographical breakdowns, segmentation tools and household level modelling data is required by Leeds City Council to support information requirements of the Intelligent Council, delivery of Public Health Intelligence and fulfilment of the MOU (Memorandum of Understanding) as part of the Public Health core offer back to CCGs (Clinical Commissioning Groups) in relation to segmentation information requests.
2. CACI used to provide Leeds City Council Public Health Intelligence team with a license that allowed 2 concurrent users of the Insite software. 50 Ocean counts (household level data), Acorn segmentation data and Health (Wellbeing) Acorn segmentation data at household level at a cost of £53,399
3. This year Leeds City Council wished to increase to 103 Ocean counts (household level data), but stop using the Insite software and switch to using Excel and SQL to process the data.
4. Based on these changes existing product suppliers CACI have quoted costs for the supply of household level modelling data and segmentation data and tools of £52,750 (plus an additional cost to be determined for Target Group Index depending on volume)

5. Another supplier, Experian, who already provide the council with some segmentation data, can also provide similar products covering the same range of data, plus a front end system on an organisation wide basis, for significantly less cost (£21,400).
6. Segmentation data provides a cross-channel consumer classification designed to help the council understand the demographics, lifestyles, preferences and behaviours of the UK adult population in detail. This information has been used to determine how parts of the population may be more open to certain communication methods, if they are interested in leisure activities and whether they may be more susceptible to door stop lenders.
7. The existing contract terminates at the end of March and there is a requirement to procure replacement products to meet service requirements and obligations.
8. Experience of using Experian products already exists within the Intelligence Team and across the Council meaning that there will be minimal training requirements.
9. Moving to Experian for a short term contract will provide a tactical solution to enable continuity of service provision, provide a cost saving of £31,999 compared to last year's costs and allow time for further analysis of requirements across the organisation in addition to a market review, pre-market engagement and competitive procurement.

## **Recommendations**

For the reasons outlined above, the Consultant in Public Health is recommended to approve the waiver of Contract Procedure Rules 8.1 and 8.2 and enter into a 12 month contract with the Experian. This will allow the time required to submit this requirement to open competition.

## **Purpose of this report**

- 1.1 Seek approval to waive Contract Procedure Rules 8.1 and 8.2 and enter into a 12 month contract with Experian Plc for the provision of Experian Mosaic Software

## **1 Background information**

- 1.1 Geographical breakdowns, segmentation tools and household level modelling data is required by Leeds City Council to support information requirements of the Intelligent Council, delivery of Public Health Intelligence and fulfilment of the MOU (Memorandum of Understanding) as part of the Public Health core offer back to CCGs (Clinical Commissioning Groups) in relation to segmentation information requests.
- 1.2 Leeds City Council has utilised demographic segmentation analysis for a wide range of activities. Within a single corporate intelligence team, over fifty projects have been completed utilising the segmentation data and this is not counting other teams across the council who have access to the data. Projects have included:
  - Identifying areas of potential social isolation;
  - Improving the take-up of council run sport centres;
  - Supporting campaigns to stop smoking;
  - Identifying areas for potential fosterers;
  - Identifying areas for internet access;
  - Helping the communications teams identify preferred methods of contact and engagement;
- 1.3 With reduced services and resources, the use of demographic segmentation data is critical in focusing limited resources to the right places. Segmentation data provides tangible benefits such as an increase in sport centre participation due to targeted marketing based on segmentation analysis. Hence this demonstrates a need to continue utilizing the intelligence provided through segmentation data to deliver services according to perceived need.

## **2 Main issues**

### **Reason for Contracts Procedure Rules Waiver**

CACI used to provide Leeds City Council Public Health Intelligence team with a license that allowed 2 concurrent users of the Insite software, 50 Ocean counts (household level data), Acorn segmentation data and Health (Wellbeing) Acorn segmentation data at household level.

This year Leeds City Council had a requirement to increase to 103 Ocean counts (household level data), but stop using the Insite software and switch to using Excel and SQL to process the data.

A quote to continue with existing product providers CACI came in at £52,750 (plus an additional cost to be determined for Target Group Index depending on volume) per annum.

Another supplier, Experian Plc, who already provides the council with some segmentation data, can also provide similar products covering the same range of data, plus a front end

system on an organisation wide basis, for significantly less cost (£21,400). This is a saving of £31,999 compared to last year's costs.

Experian Mosaic is a similar offering to CACI Acorn but at a cost saving and additional tools also come as part of the Experian Mosaic data which will provide the ability to more easily interpret the information.

Experience of using Experian products already exists within the Council meaning there will be minimal training requirements involved when swapping providers. Furthermore, Experian are an existing supplier to Leeds City Council with data used within the fraud department. Prior to January 2013 when Leeds City Council switched to using the CACI Acorn products, Experian Public Sector Mosaic segmentation data was utilised for two years, undertaking a range of segmentation analysis and gaining a more in-depth understanding of the use of demographic profiling. Previous projects included improving the update of Breeze cards (identity cards for u-18s), identifying areas of low internet access and take-up, improving sport centre participation and a range of other projects.

### **Consequences if the proposed action is not approved**

Products would have to continue to be purchased from CACI at increased cost or alternatively a gap in information provision would be necessary while further market analysis and resulting procurement is undertaken.

### **Advertising**

No advertising was undertaken. A comparison between two existing suppliers was undertaken to provide continuity of service whilst further market review and pre-market engagement is undertaken with a view to establishment of a new system for 2016/17 finance year.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

A meeting was set up with Experian on 3rd February 2015 with some internal customers of the existing segmentation product to come along. The people involved included a representative from Sports, Communications, Public Health and Children's. They provided feedback in regards to their requirements for segmentation analysis to aid projects such as increasing take-up of sports, communication preferences for selected targeting of communications, and identifying areas of health needs.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Mosaic is Experian's powerful cross-channel consumer classification designed to help understand the demographics, lifestyles, preferences and behaviours of the UK adult population in detail.

4.2.2 Mosaic synthesizes over 850 million pieces of information to create a segmentation that allocates 49 million individuals and 26 million households into one of 15 Groups and 66 detailed Types.

4.2.3 More than 450 data variables from a combination of Experian proprietary, public and trusted third party sources - including research findings and behavioural data - to build a pin-sharp picture of the latest UK consumer and social trends.

### **4.3 Council Policies and City Priorities**

4.3.1 Procurement of this product allows the Intelligent Council and Public Health to continue to meet information requirements of its key stakeholders. Therefore as information is provided to a wide range of internal customers and CCGs the procurement will support the following council areas through provision of targeted information

Health and Wellbeing

Children's services

Communications

Sport and Recreation

CCG planning and commissioning

Public Health planning and commissioning

City Development

Locality working teams

Adult Social Care

### **4.4 Resources and Value for Money**

4.4.1 To date Leeds City Council have used both CACI and Experian for data products. Experian have been providing origins data and CACI segmentation data. However a quote to continue with data packages with CACI came in at £52,750 (plus an additional cost to be determined for Target Group Index depending on volume) per annum. Experian have quoted for their systems and data at £21,400k.

Buying the Experian products gives a cost saving of £31,999 on last year.

Procuring a tactical solution allows a window for in-depth requirements to be gathered in order to determine the most appropriate long-term solution

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 *Not Applicable.*

### **4.6 Risk Management**

4.6.1 Risk if software is not procured of breaching the MOU agreement with CCGs due to failure to provide refreshed CCG and Practice Level profiles, failure to complete household level and small area insight analysis resulting in the organisation being unable to discharge its obligations

## 5 Conclusions

- 5.1 Purchase of this software is necessary to fulfil obligations under the MOU (Memorandum of Understanding) as part of the Public Health core offer back to CCGs (Clinical Commissioning Groups)
- 5.2 Purchase of this software allows the intelligent council to continue to meet information requirements of key stakeholders.
- 5.3 Purchase of this software with this provider represents a £26,000 saving on last year's costs with increased access to functionality and a site wide license.
- 5.4 Purchase of this software and data from this supplier represents the best option from the market suppliers as it is a known product and therefore minimal training will be required, it came out as one of the two market leaders and is the significantly cheaper option from those two. The data does not rely on census information and therefore will not be affected by potential changes to the National Census.

## 6 Recommendations

The Consultant in Public Health is recommended to approve the waiver of the following Contracts Procedure Rule(s): ***Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements*** and award a contract to Experian Plc in the sum of £21,400. The contract shall commence on the 01/04/2015 for the period on 12 month.

## 7 Background documents

- 7.1 No background documents.