

# Birmingham City Council

## Finance and Resources Overview and Scrutiny Committee

Date 27<sup>th</sup> July 2023



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**Subject:** NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)

**Report of:** STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

**Report author:** Steve Sandercock - Assistant Director – Procurement

### 1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are not key decisions made under Chief Officer's delegation. Planned procurement activities reported previously are not repeated in this report.

### 2 Recommendations

- 2.1 To note the reports and any findings from Cabinet.

### 3 Any Finance Implications

- 3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

### 4 Any Legal Implications

- 4.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.

- 4.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

## **5 Any Equalities Implications**

- 5.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy.

## **6 Appendices**

- 6.1 Appendix 3 – Exempt Information

# Birmingham City Council

## Report to Cabinet

Date: 25<sup>th</sup> July 2023



**Subject:** NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)  
**Report of:** ASSISTANT DIRECTOR – PROCUREMENT  
**Relevant Cabinet Member:** Councillor Brigid Jones, Cabinet Member for Finance and Resources  
**Relevant O &S Chair(s):** Councillor Jack Deakin, Chair of Finance and Resources OSC  
**Report author:** Steve Sandercock, Assistant Director, Procurement  
Email Address: [steve.sandercock@birmingham.gov.uk](mailto:steve.sandercock@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period August 2023 – October 2023 which are not key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £500,000, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 To note the planned procurement activities as set out in Appendix 1 and Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

## **3 Background**

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12<sup>th</sup> July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £500,000 for non-key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £500,000 (excluding VAT) for non-key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.7 Procurements below £500,000 contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

## **4 Options considered and Recommended Proposal**

### **4.1 The options considered are:**

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To note the planned procurement activities for all the projects listed in appendix 1 and the Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

## **5 Consultation / Engagement**

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

## **6 Risk Management**

- 6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.
- 6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

### **7.2 Legal Implications**

- 7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

### **7.3 Financial Implications**

- 7.3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

### **7.4 Procurement Implications (if required)**

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices

### **7.5 Human Resources Implications (if required)**

- 7.5.1 None.

### **7.6 Public Sector Equality Duty**

- 7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

## **8 Background Documents**

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity August 2023 – October 2023
  - 2. Appendix 2 – Background Briefing Paper
  - 3. Appendix 3 – Exempt Information

**APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (AUGUST 2023 – OCTOBER 2023)**

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Approval to Tender Strategy	Demolition of the Former Oscott Manor School	TBC	To demolish the former Oscott Manor School which consists of various buildings of traditional construction and prefabricated buildings down to concrete slab level only, with the removal of all materials from site including the termination of utility services to the site.	4 months	Children and Families	Children Young People and Families	Clare Sandland	Emma Bourne / Charlie Short	21/08/2023

## **APPENDIX 2**

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 25<sup>th</sup> July 2023**

<b>Title of Contract</b>	<b>Demolition of the Former Oscott Manor School</b>
<b>Contact Officers</b>	<b>Strategic Director:</b> Sue Harrison, Children & Families <b>Client Officer:</b> Emma Bourne, Acting Property Manager <b>Procurement Officer:</b> Charlie Short, Procurement Manager
<b>Relevant Portfolio</b>	<b>Councillor Karen McCarthy - Children Young People and Families</b>
Briefly describe the service required	To demolish the former Oscott Manor School which consists of various buildings of traditional construction and prefabricated buildings down to concrete slab level only, with the removal of all materials from site including the termination of utility services to the site.
What is the proposed procurement route?	An open procurement process will be advertised Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a one-off requirement.
Will any savings be generated?	No savings will be generated from this procurement process for a one-off works project.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house for works the Council does not have the capability to undertake.
How will this service assist with the Council's commitments to Route to Zero?	The works will be undertaken using the most up-to-date sustainable materials including using online platforms and minimising paper usage. Completion of the service will also assist in reducing CO2 emissions by stopping the arson attacks which are regularly taking place.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	There is no direct impact on Everybody's Battle, Everybody's Business from the award of this contract.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty for this service. However, the demolition supports the statutory duty, by virtue of section 542(2) of the Education Act 1996, in respect of schools that it maintains, to secure that the school premises conform to the prescribed standards. This includes a duty to ensure that maintained school buildings are maintained to a standard such that, so far as is reasonably practicable, the health, safety and welfare of pupils are ensured. Unless the building is demolished, there is a risk of litigation under the Occupiers Liability Act 1984 as the legislation imposes a duty on occupiers to take reasonable care for the safety of trespassers in respect of any risk of their suffering injury by reason of any danger due to the state of the premises or to things done or omitted to be done on them.
What budget is the funding from for this service?	The works will be funded from the from the Schools Condition Allocation.
Proposed start date and duration of the new contract	The proposed start date is September 2023 for a duration of 4 months.