

**Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting**

**BIRMINGHAM CITY COUNCIL**

**CORPORATE RESOURCES AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 01 SEPTEMBER 2016 AT 14:30 HOURS**  
**IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,**  
**BIRMINGHAM, B1 1BB**

**A G E N D A**

**1 NOTICE OF RECORDING/WEBCAST**

The Chairman to advise the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's Internet site ([www.birminghamnewsroom.com](http://www.birminghamnewsroom.com)) and that members of the press/public may record and take photographs. The whole of the meeting will be filmed except where there are confidential or exempt items.

**2 APOLOGIES**

To receive any apologies.

**3 - 14**

**3 REQUEST FOR CALL IN: STRATEGY/AWARD REPORT - CONSULTANCY FOR CONTRACT NEGOTIATIONS - REVENUES SERVICE (PQ135) - PUBLIC**

To consider the "Request for Call-In". (The portfolio holder and the Lead Officer identified in the report have been summoned to attend the meeting).

The following documents are attached in respect of the public papers:-

(A) The public Executive decision record.

(B) The relevant form for the "Request for Call-In" lodged by Councillors Randal Brew and Ewan Mackey and the reasons given against the criteria for call in.

(C) The public report considered by the Cabinet Member and Chief Officer in reaching their decision.

4 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

5 **AUTHORITY TO CHAIRMAN AND OFFICERS**

Chairman to move:-

'In an urgent situation between meetings, the Chair jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.

6 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-

Private Report - Strategy/Award Report - Exempt Paragraph 3

## **P R I V A T E   A G E N D A**

7 **REQUEST FOR CALL IN: STRATEGY/AWARD REPORT -  
CONSULTANCY FOR CONTRACT NEGOTIATIONS - REVENUES  
SERVICE (PQ135) - PRIVATE**

Item Description

8 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

**Details**

<b>Status:</b>	Decision Proposed
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<b>Title:</b>	Strategy/Award - Consultancy for Contract Negotiations - Revenue Service PQ135
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<b>Reference:</b>	002345/2016
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<b>Details:</b>	
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<b>Implementation Date (not before Meeting Date):</b>	Fri 12 Aug 2016
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<b>Purpose:</b>	seeks approval for the award of a contract called off the Crown Commercial Service G-Cloud Framework Agreement for the provision of a consultancy specialist to support the Revenues Service in contract renegotiations.
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<b>Key Portfolio:</b>	Value for Money and Efficiency
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<b>Include Item on Forward Plan / Key Decision:</b>	No
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<b>Reason for Key Decision:</b>	
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**Decision**

<b>Urgent Decision - Not in Forward Plan:</b>	No
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<b>Is Private:</b>	No
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<b>Decision Outcome:</b>	On the 12 August 2016 the Cabinet Member for Value for Money and Efficiency jointly with the Strategic Director for integrated Support Services and Change: - 1. Noted the contents of the report. NOTE: CALL IN ENDS WEDNESDAY 17 AUGUST 2016 AT 1600 HOURS
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### **Miscellaneous**

Reg 10

Reg 11

### **Decision Criteria**

This Decision does not contain any decision criteria records.

### **Wards**

This Decision does not contain any Ward records.

### **Topics**

This Decision does not contain any Topic records

### **Overview and Scrutiny**

Corporate Resources and Governance Overview and Scrutiny Committee



## Appendix 2: Request for Call In – Pro-forma

To: David Smith/Victoria Williams

Committee Services, Room 315, Council House.

E-Mail: LESCommitteeServicesAll@birmingham.gov.uk (marked "For the attention of Dave Smith")

Date: 17<sup>th</sup> August 2016

*Please arrange for a meeting of the Corporate Resources and Governance Overview and Scrutiny Committee*

*to be called to discuss the following executive decision:*

Title: Strategy/Award Report – Consultancy for Contract Negotiations – Revenue Services (PQ135)

Taken By: Joint Cabinet Member and Chief Officer

On: 12<sup>th</sup> August 2016

### Reason for request:

- |  |  |                          |
|--|--|--------------------------|
| (a ) Is the Executive decision within existing policy? | 1. the decision appears to be contrary to the Budget or one of the 'policy framework' plans or strategies;   | ✓                        |
|  | 2. the decision appears to be inconsistent with any other form of policy approved by the full Council, the Executive or the Regulatory Committees;   | ✓                        |
|  | 3. the decision appears to be inconsistent with recommendations previously made by an Overview and Scrutiny body (and accepted by the full Council or the Executive);  | <input type="checkbox"/> |
| (b) Is the Executive decision well-founded?            | 4. the Executive appears to have failed to consult relevant stakeholders or other interested persons before arriving at its decision;  | <input type="checkbox"/> |
|  | 5. the Executive appears to have overlooked some relevant consideration in arriving at its decision;   | ✓                        |
|  | 6. the decision has already generated particular controversy amongst those likely to be affected by it or, in the opinion of the Overview and Scrutiny Committee, it is likely so to do;   | <input type="checkbox"/> |
|  | 7. the decision appears to be particularly "novel" and therefore likely to set an important precedent;   | ✓                        |
|  | 8. there is a substantial lack of clarity, material inaccuracy or insufficient information provided in the report to allow the Overview and Scrutiny Committee to hold the Executive to account and/or add value to the work of the Council. | <input type="checkbox"/> |



(c) Has the Executive decision been properly taken?

9. the decision appears to give rise to significant legal, financial or propriety issues; ☐

10. the notification of the decision does not appear to have been in accordance with council procedures; ☐

(d) Does the Executive decision particularly affect a District?

11. the decision appears to give rise to significant issues in relation to a particular District. ☐

Councillor

CLLR RANDAL BREW

(Signed)

(Print Name)

Councillor

CLLR EWAN MACKEY

(Signed)

(Print Name)



## Appendix 3: Criteria For 'Call In'

These are the criteria against which the Council expects an O&S Committee to judge any "request for call in". The Council does NOT expect an Overview and Scrutiny Committee to call in an Executive decision UNLESS one or more of the following circumstances applies –

	<b>(a) Is the Executive decision within existing policy?</b>
1	the decision appears to be contrary to the Budget or one of the 'policy framework' plans or strategies;
2	the decision appears to be inconsistent with any other form of policy approved by the full Council, the Executive or the Regulatory Committees;
3	the decision appears to be inconsistent with recommendations previously made by an Overview and Scrutiny body (and accepted by the full Council or the Executive);
	<b>(b) Is the Executive Decision well-founded?</b>
4	the Executive appears to have failed to consult relevant stakeholders or other interested persons before arriving at its decision;
5	the Executive appears to have overlooked some relevant consideration in arriving at its decision;
6	the decision has already generated particular controversy amongst those likely to be affected by it or, in the opinion of the Overview and Scrutiny Committee, it is likely so to do;
7	the decision appears to be particularly "novel" and therefore likely to set an important precedent;
8	there is a substantial lack of clarity, material inaccuracy or insufficient information provided in the report to allow the Overview and Scrutiny Committee to hold the Executive to account and/or add value to the work of the Council.
	<b>(c) Has the Executive decision been properly taken?</b>
9	the decision appears to give rise to significant legal, financial or propriety issues;
10	the notification of the decision does not appear to have been in accordance with council procedures;
	<b>(d) Does the Executive decision particularly affect a District?</b>
11	the decision appears to give rise to significant issues in relation to a particular District.





# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET MEMBER FOR VALUE FOR MONEY AND EFFICIENCY JOINTLY WITH THE STRATEGIC DIRECTOR FOR INTEGRATED SUPPORT SERVICES AND CHANGE</b>
<b>Report of:</b> <b>Date of Decision:</b>	<b>SERVICE DIRECTOR CUSTOMER SERVICES</b> <b>9th August 2016</b>
<b>SUBJECT:</b>	<b>STRATEGY / AWARD REPORT – CONSULTANCY FOR CONTRACT NEGOTIATIONS – REVENUES SERVICE (PQ135)</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref: n/a</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Cabinet Member(s):</b>	<b>Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Mohammed Aikhlaq, Corporate Resources and Governance</b>
<b>Wards affected:</b>	<b>ALL</b>

<b>1. Purpose of report:</b>
<p>1.1 This report seeks approval for the award of a contract called off the Crown Commercial Service G-Cloud Framework Agreement for the provision of a consultancy specialist to support the Revenues Service in contract renegotiations.</p> <p>1.2 The private agenda report contains confidential market information.</p>

<b>2. Decision(s) recommended:</b>
That the Cabinet Member for Value for Money and Efficiency jointly with the Strategic Director for Integrated Support Services and Change:
2.1 Notes the content of the report.

<b>Lead Contact Officers:</b>	
<b>Telephone No:</b> <b>E-mail address:</b>	Chris Gibbs, Service Director Customer Services, Corporate Resources Directorate 0121 303 4143 <a href="mailto:chris.gibbs@birmingham.gov.uk">chris.gibbs@birmingham.gov.uk</a>
<b>Telephone No:</b> <b>E-mail address:</b>	Lisa Haycock – Assistant Procurement Manager, Corporate Procurement Services, Corporate Resources Directorate 0121 303 3479 <a href="mailto:lisa.haycock@birmingham.gov.uk">lisa.haycock@birmingham.gov.uk</a>

<b>3.</b>	<b>Consultation</b>
3.1	<u>Internal</u>
3.1.1	Officers from City Finance, Corporate Procurement Services and Legal Services have been involved with the preparation of this report.
3.2	<u>External</u>
3.2.1	Officers from Crown Commercial Services have been consulted and confirm the suitability for the Council to use this framework agreement.

<b>4.</b>	<b>Compliance Issues:</b>
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
4.1.1	Proposals are consistent with the Council Business Plan and Budget 2016+ outcome 'A healthy, happy city' by providing citizens and businesses with a consistently high level of service so that performance is visible to staff, members and citizens.
4.1.2	Birmingham Business Charter for Social Responsibility (BBC4SR)  The recommended consultant is an accredited signatory to the Birmingham Business Charter for Social Responsibility and will be required to provide additional commitments proportionate to the value of this contract.
4.2	<u>Financial Implications</u>
4.2.1	The cost of this consultancy will be funded from one-off performance savings made within the revenues contract with Service Birmingham.
4.3	<u>Legal Implications</u>
4.3.1	The appointment of a consultant to support the Revenues Service in contract renegotiations is provided in support of the Council's primary functions which are contained in a range of legislation pertaining to the individual service areas. It is not practicable to list the complete set of functions underpinning the award of this contract.
4.3.2	<u>Information Management</u>  The nature of this contract is service-based and there are no significant information management issues to be addressed.
4.4	<u>Public Sector Equality Duty</u>  A relevance test to decide whether the planned procurement for the provision of a consultancy specialist to support the Revenues Service in contract renegotiations has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 in order to eliminate unfair/unlawful discrimination and to promote equality and human rights was conducted on 11 <sup>th</sup> July 2016.

The screening identified there was no requirement to assess it further and completion of an Equality Assessment form was not required.

## **5. Relevant background/chronology of key events:**

### **5.1 Background and Service Requirements**

- 5.1.1 The Council and Service Birmingham Limited entered into an agreement dated 1<sup>st</sup> April 2006 under which Service Birmingham Limited agreed to provide services to the Council. The agreement was subsequently amended to include the Revenues Service from April 2011 and this is now run at an annual cost of £4.8m.
- 5.1.2 An assessment of the Revenues Service was undertaken in May 2016 where current performance, recommendations and a report setting out findings was provided.
- 5.1.3 Following the assessment a decision was taken to work with Service Birmingham to improve the service quality and capability to more fully achieve the Council's contractual requirements. Consultancy is required to support the Council by providing expertise to renegotiate the existing SB Revenues contract which expires on 31<sup>st</sup> March 2021 to ensure that the Council achieves its desired outcomes over the remaining term of the contract.

The outputs that the consultant(s) will deliver are:

- Lead on and develop a detailed negotiation strategy
- Facilitate meetings to negotiate agreed points
- Agree Critical Success Factors and commercial principles
- Provide an implementation plan, scenario analysis and review of risks
- Provide an operating model for the contract management function along with proposals for KPIs
- Work with the Council to identify and document the savings realised from the re-negotiated agreement
- Work with the Council to ensure effective governance arrangements are in place to measure and monitor the renegotiated contract

### **5.2 Outcomes Expected**

- 5.2.1 The following outcomes are anticipated as a result of the proposed procurement process to be carried out:
- Conclusion of the negotiations by December 2016
  - Established corporate goals of both parties to ensure the contract is negotiated quickly with minimal disruption to the service.
  - Identified savings over the remaining contract period.
  - Proven knowledge of Revenues Service contracts, including experience of managing negotiation strategies which can then be transferred to Council Officers.
  - Resource requirement and Target Operating Model for Service Delivery identified

### 5.3 Market Analysis

5.3.1 The market for the provision of a consultancy specialist to support the Revenues Service in contract renegotiations is a niche market with only a small number of providers who can meet the requirements of the Council.

### 5.4 Procurement Options

5.4.1 The following options were considered:

- In house – The Council recognises that it does not have the experience in house to manage this process without expert support.
- Tender as a Council only contract – There is insufficient time to complete a tender process due to the urgency of the contract renegotiations. In addition in the current economic climate this would not be cost effective or a prudent use of funds of resources where no additional value would be gained against using a collaborative framework agreement.
- Use a Collaborative Framework Agreement – There are currently two collaborative framework agreements in place that cover the provision of consultancy both of which are tendered by the Crown Commercial Service (CCS) that are suitable for use by other public sector bodies.

#### CCS G-Cloud 6 Framework Agreement

The CCS G-Cloud 6 framework agreement commenced in February 2015 and expires in August 2016. It is permissible to award a contract for a duration beyond the expiry of the framework agreement. This framework offers the specialist consultancy required and is therefore the recommended option to use. The protocol of the framework agreement allows for a direct award. Further details are in paragraph 5.5.

#### CCS ConsultancyONE Framework Agreement

The ConsultancyONE framework agreement commenced in May 2013 until February 2017. After review it was concluded that the suppliers did not cover consultancy services specifically for the Revenues Service and was therefore deemed not suitable for use.

### 5.5 Procurement Approach

5.5.1 The recommended option is a direct award calling off the CCS G-Cloud 6 Framework Agreement commencing in August 2016 for a period of 5 months.

#### 5.5.2 Call-Off Protocol

The protocol for awarding a contract from the framework agreement is to identify a supplier from the list of framework providers that has the appropriate capability and experience to deliver the requirements. A direct award can then be made. An extensive search was undertaken by Corporate Procurement and Client Services and one supplier was identified as meeting the specific requirements. The supplier submitted a proposal

to the Council of how the outputs in 5.1.3 would be met and the associated costs. After evaluation by the Head of Client Services, the submission was deemed suitable for the Council's requirements.

5.5.3 The recommended company has worked with the Council previously providing advice to Revenues and has invaluable background knowledge that will further reduce the call on Council resources required and therefore costs associated with the project.

## 5.6 Risk

5.6.1 The CPS approach is to follow the Council Risk Management Methodology and the Procurement and Client Team will be responsible for local risk management. CPS maintains a risk management register and documentation relevant to each contract. The risk register for the service has been jointly produced and owned by the Client Team and CPS with arrangements put in place to ensure that operational risks are mitigated.

## 5.7 Service Delivery Management

5.7.1 The contract will be managed operationally by the Service Director Customer Services.

## 6. **Evaluation of alternative option(s):**

6.1 An analysis and evaluation of the alternative options is included in 5.4 above.

6.2 Do nothing

6.2.1 This will impact on the outcomes of the work to achieve the improvements required to collection rates and has the potential to result in significant loss of income to the council from the collection of Council Tax and NNDR.

## 7. **Reasons for Decision(s):**

7.1 To enable a contract to be awarded for the provision of a consultancy specialist to support the Revenues Service in contract renegotiations utilising the CCS G-Cloud Framework Agreement.

## **Signatures:**

Councillor Majid Mahmood .....Date.....  
Cabinet Member for Value for Money and Efficiency

Angela Probert.....Date.....  
Strategic Director for Integrated Support Services and Change

## **List of Background Documents used to compile this Report:**

None

**List of Appendices accompanying this Report (if any):**

None.