

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4325
Author:	Nicki Jenkins
Department:	Growth and City Development
Contact:	Nicki Jenkins (Job Title: Head of Economic Development, Email: nicki.jenkins@nottinghamcity.gov.uk, Phone: 01158764452)
Subject:	Review of Property Management
Total Value:	£40,000 (Type: Revenue)
Decision Being Taken:	To allocate £40,000 from Property Budgets to commission an independent review of the management of property assets within the Council; and To dispense with Contract Procedure Rule 4.1.1. in accordance with Financial Regulation 3.29 for a direct award to CIPFA to carry out the review.

Reasons for the Decision(s)

The Council's Recovery and Improvement plan identifies Asset Management as one of its key themes. In order to ensure that the Council's property assets are managed both efficiently and effectively to deliver maximum financial returns and strategic impact, one of the actions within the Recovery Plan is to undertake a review of the current arrangements against recognised models of good practice is needed to inform future deliver models.

As this review will consider a range of property management related functions delivered across the Council, this proposal therefore is to enable the commissioning of an external body to undertake an assessment of the current operating model for property management across the Council, comparing it to best practice models, with a view to improving property performance, financial efficiencies and improved health and safety compliance. It will include an assessment of the degree to which the corporate landlord model is embedded and functioning to highlight strengths and weaknesses and recommendations for improvement.

The recommendations from the review will then be used to shape future transformation plans for property management going forward. Dispensation from financial regulations to make a direct award to CIPFA, is requested. The reasons for this are as follows:

- a) CIPFA are the national lead on advising local authorities on the implementation of Corporate Landlord model, having undertaken many similar reviews of local authorities.
- b) They have a tried and tested methodology and as a result of this work they are able to provide us with benchmark data to enable us to understand our cost base and how it compares to other local authorities.
- d) We have not been able to identify alternative suppliers to go to quote, who are able to carry out a similar review.
- e) Having recently undertaken the review of companies they are familiar with the organisation and wider context.
- f) The cost of a direct award would be lower than going through frameworks.

Other Options Considered:

To carry out the review internally - This was dismissed due to the lack of detailed knowledge held internally of good practice models for property management.

Not to undertake this review - This was dismissed as the current delivery structure for property management across the Council has been identified as not working effectively, and creating unnecessary risks for the Council.

Consideration was given to alternative procurement routes, however no alternative provider could be identified to undertake this review as this is a review model developed by CIPFA and to procure through frameworks would be more costly.

Background Papers:

None

Published Works:

Nottingham City Council Recovery and Improvement Plan

Affected Wards:

Citywide

Colleague / Councillor Interests:	None
Dispensation from Financial Regulations:	Yes
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	No crime and disorder implications.
Equality:	EIA not required. Reasons: The decision does not relate to a new or changing policy or service.
Social Value Considerations:	No social value considerations
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	12/08/2021
Advice Sought:	Legal, Finance, Procurement
Legal Advice:	<p>The Council's Financial Regulations permit a dispensation from the need to conduct a quotation or tender exercise for operational reasons subject to the approval of Chief Finance Officer and Portfolio Holder. The reasons to justify the Council agreeing to dispense from its procurement processes have been set out by the report author.</p> <p>The value of the contract is below the thresholds set out in legislation and therefore the provisions of the Public Contract Regulations 2015 (as amended) do not apply on this occasion save that the award of the Contract must still be published on Contracts Finder.</p> <p>Finally the Council must be satisfied that it is complying with its Best Value duty as established under the Local Government Act 1999. In determining Best Value consideration should not just be given to the cost or potential savings to be achieved but the application of value to all aspects of the Council's operations and having regard to a combination of economy, efficiency and effectiveness.</p> <p>Advice provided by Naomi Vass (Senior Solicitor) on 30/07/2021.</p>

Finance Advice:

<p>The cost of this review can be met from within identified underspends within the Property service budgets and will not cause a financial pressure.</p> <p>The dispensation from Financial Regulations (Contract Procedure Rules 4.1.1) is deemed appropriate for the reasons listed in the body of the report and the Director or Property has discussed this with Section 151 Officer.</p> <p>Advice provided by Susan Tytherleigh (Senior Finance Manager) on 23/07/2021.</p>
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Procurement Advice:

<p>A direct award, using a dispensation to Contract Procedure Rule 4.1.1 under Finance Procedure Rule 3.29, is a compliant route to appoint a supplier. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 23/07/2021.</p>

Signatures

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 03/08/2021
Michael Wayne Bexton (Interim CD for Growth & City Development)
SIGNED and Dated: 02/08/2021
Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations
SIGNED and Dated: 30/07/2021
Chief Finance Officer's Comments: