

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:	4373
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Department:	Growth and City Development
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Subject:	Approval to procure independent reviews of Nottingham City Council companies and audit work
Total Value:	£300,000 (Type: Revenue)
Decision Being Taken:	To approve dispensation from Contract Procedure Rule 4.1.2 for operational reasons in accordance with Financial Regulation 3.29 to appoint the Chartered Institute of Public Finance and Accountancy (CIPFA) To approve £125,000 in funding to be allocated for further company-related work.To approve the undertaking of a procurement exercise for further company-related works and to delegate the award of the contract to the Section 151 Officer.
Reasons for the Decision(s)	In November, the Council was subject to a non-statutory review. A number of recommendations were made and in response, Nottingham City Council developed a Recovery and Improvement Plan, setting out how it would address the recommendations. The Plan was split into eight themes, including one theme relating to companies. Due to the urgency and complexity of companies, the Council commissioned CIPFA to undertake independent reviews of the companies, including setting out options for the future of each company. This work will ensure that the Council is best informed when making decisions going forward. The Chartered Institute of Public Finance and Accountancy (CIPFA) are the only organisation dedicated to public financial management and therefore are best placed to undertake these reviews and provide independent advice to the Council. Other options would require appointing a consultancy without the experience in public sector management and this is a critical factor in selecting CIPFA. Some of this is a retrospective approval for works that have been undertaken urgently to support the City Council undertake reviews of Companies. The scope of this work has evolved as CIPFA have been engaged with the Companies. As this work has been procured at speed, dispensation from financial regulations is required. The Council has also requested support with audit work from CIPFA. The combined value of this work and the existing scope of works will not exceed £300,000. The audit work will be procured through a compliant framework. The funding for this work is provided by the Transformation reserve.

<b>Other Options Considered:</b>	The use of internal resourcing was considered but there was not enough expertise or capacity within the internal teams and the work needed to be completed at pace. This option was rejected. CIPFA has under similar work in other organisations and were considered the most appropriate option given the urgency of the situation and the need for wide-ranging advice. For the auditing work, CIPFA is the preferred provider from the compliant framework.
<b>Background Papers:</b>	n/a
<b>Published Works:</b>	n/a
<b>Affected Wards:</b>	Citywide
<b>Colleague / Councillor Interests:</b>	There are no colleague or Councillor interests.
<b>Dispensation from Financial Regulations:</b>	Yes
<b>Use of Consultants</b>	Number of Days:256.60
	Rate per Day:1170
	Total value:300000
	Start date:01/12/2020
	End date:30/06/2022
<b>Reason for using a consultant:</b>	In order to ensure the best outcome for citizens, independent advice is being sought from a professional organisation who are familiar with the potential options for public sector owned companies. The report information will set out detailed and informed options with a better understanding of risks and issues, with CIPFA having more experience of the outcomes than those within the Council. This was flagged as an issue in the non-statutory review.
<b>Other options considered:</b>	Use in-house resources - there is a conflict in demand for resources from the Finance and Legal team. In order to ensure this does not negatively impact on other work for the Recovery and Improvement Plan, this option was not selected. Reviews are a discreet package of work that can be given to and would benefit from an external agency.
<b>Name of consultant:</b>	CIPFA
<b>Reason for selection?</b>	CIPFA are the only public sector financial management organisation and are chartered.
<b>Has the consultant previously completed work for the City Council?</b>	Not aware of previous work

**Specific activities to be undertaken by the consultant are:**

**Undertake review of the companies listed in the brief, providing a written report setting out options for the future and completing agreed tasks to support the governance and structuring of companies in the future. For the audit, undertake an audits in a variety of areas that have been targeted by the Council following reviews. Further work may include an analysis of the effectiveness of training in core areas and providing further support to enhance this training in the long term.**

**Period of engagement:**

**18 months**

**By what process was the consultant selected?**

**Direct appointment for existing work. Future work will be procured through a compliant framework.**

**Consultations:**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

**There are no implications on crime and disorder.**

**Equality:**

**EIA not required. Reasons: This is a review and will set out options. A further report will be required should any option be taken forward and this will include an EIA.**

**Social Value Considerations:**

**The threshold is not exceeded.**

**Relates to staffing:**

**Yes**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:**

**24/09/2021**

**Advice Sought:**

**Legal, Finance, Procurement, Human Resources**

**Legal Advice:**

**This report is seeking to formalise a previous appointment to CIPFA and seek authority to carry out a procurement to appoint a provider for further review/audit services in respect of the Council's companies.**

**A dispensation may be granted under Financial Regulation 3.29 from the need to conduct a procurement process set out at 4.1.1 and 4.1.2 of the Contract Procedure Rules. The reasons as to the appointment to CIPFA have been set out by the report author. The granting of a dispensation on this occasion would not create a significant legal issue and can be supported.**

**It is proposed that there may be a requirement for further review work to be undertaken. Subject to the budget of £125k being approved for this and an award of a contract in accordance with the procedures set out in the Contract Procedure Rules this again can be supported by Legal Services. Advice provided by Naomi Vass (Senior Solicitor) on 26/08/2021.**

**Finance Advice:**

**This decision seeks:**

- 1.To approve the procurement of CIPFA to undertake a review of Nottingham City Council companies.**
- 2.To approve Nottingham City Council entering into contract with CIPFA.**
- 3.To dispense with financial regulations and directly appoint CIPFA through a compliant route retrospectively for up to £0.175m of spend.**
- 4.To delegate the approval of future works with CIPFA procured through the framework to the Corporate Director for Finance and Resources, up to a combined value of £0.300m.**

**The value of this decision is £0.300m is to be funded in full from the Transformation and Improvement reserve.**

**Dispensation from Finance Regs is sought for the existing work undertaken due to the specialist nature of the work and CIPFA being the only organisation dedicated to public financial management. The use of internal resourcing was considered but was discounted due to the lack of expertise and capacity within the internal teams.**

**The decision also requests support with future audit work from CIPFA. The combined value of this work and the existing scope of works will not exceed £0.300m in total. The audit work will be procured through a compliant framework and therefore will meet value for money criteria.**

**Monitoring spend to ensure it does not exceed approved limits will be undertaken.**

**Advice provided by Philip Gretton (Finance Analyst) on 24/08/2021.**

**HR Advice:**

**There is value placed on the appointment to this work through CIPFA, maximising the independence of evaluating the risks and options and supporting the finance team through additional capacity to support the recovery and improvement work.**

**The selection of candidates through CIPFA should seek to achieve a diverse pool of candidates to support the EDI strategy and aims of Nottingham in achieving a representative workforce including the use of consultants. An appropriate assessment process should support this selection to ensure the behaviours, attitude, knowledge and skills are tested appropriately through a fair and transparent process.**

**Marie Read, Senior HR Consultant 25/08/21 Advice provided by Marie Read (HR Consultant (Departmental)) on 26/08/2021.**

**Procurement Advice:**

**This report requires dispensation from Financial Regulation 3.29 and Contract Procedure Rules 4.1.2 to directly award a contract for the original work undertaken by CIPFA with a value of £175k.**

**Further work is proposed and in order to comply with Financial Regulations and Contract Procedure Rules a national framework will need to be used and the call off process adhered to. Procurement will provide advice and guidance on the frameworks available and processes for call off. Advice provided by Steve Oakley (Head of Contracting and Procurement) on 26/08/2021.**

**Signatures:**

<b>David Mellen (Leader/ PH Strategic Regeneration Communications)</b>
<b>SIGNED and Dated: 13/09/2021</b>
<b>Sam Webster (PH Finance and Resources)</b>
<b>SIGNED and Dated: 16/09/2021</b>
<b>Clive Heaphy (Interim Corporate Director for Finance &amp; Resources)</b>
<b>SIGNED and Dated: 16/09/2021</b>
<b>Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations</b>
<b>SIGNED and Dated: 31/08/2021</b>
<b>Chief Finance Officer's Comments:</b>