

Operational Decision Record

Publication Date 1 February 2022	Decision Reference Number 4520
Decision Title Extension of External Support in Response to the Actions Arising from the Public Interest Report and Non-Statutory Review	
Decision Value £110,000	
Revenue or Capital Spend? Revenue	
Department Finance and Resources	
Contact Officer (Name, job title, and contact details) Paul Slater, HR Business Lead paul.slater@nottinghamcity.gov.uk	
Decision Taken To approve an appointment extension from 1 November 2021 to 31 March 2022 for the consultant appointed to provide external financial expertise in relation to the issues raised in respect of Council-owned companies through the Report in the Public Interest (RPI) on the Council's governance arrangements for Robin Hood Energy and the report arising from the Non-Statutory Review (NSR).	
Reasons for Decision and Background Information As part of responding to the RPI and the NSR undertaken by the former Ministry of Housing, Communities and Local Government, a review will need to take place on the Council's governance and operation of its interests in its portfolio of companies. A consultant appointment was made in January 2021 via an agency and work is progressing against various projects and work streams. However, an extension to the appointment is required as a number of those projects are not due to conclude until late 2021 or early 2022. The extension will ensure that projects can be finalised and delivered, so an appointment extension is therefore requested until 31 March 2022.	
Other Options Considered and why these were rejected The option to resource this work internally was rejected because it will require specialist commercial skills that are not available within the Council. The work will require dedicated, focused capacity to ensure the recommendations of the report are achieved.	

Reasons why this decision is classified as operational

The decision represents a financial commitment of under £150,000 and involves the delivery of an agreed policy within a budget approved at Executive Board on 20 July 2021.

Additional Information

This decision seeks approval to award a contract extension from 1 November 2021 to 31 March 2022 regarding the previously approved Delegated Decision 4101 to authorise expenditure for the appointment of a consultant to provide external financial expertise in response to the multiple issues raised in respect of companies within the Report in the Public Interest on Nottingham City Council's Governance Arrangements for Robin Hood Energy and the report arising from the NSR of Nottingham City Council.

The total cost of the contract extension is £110,000 and will be incurred in 2021/22. The cost of this decision will be funded from the Improvement and Transformation reserve.

The role and criteria sits outside of IR35 legislation and, therefore, is classed as a use of consultant, therefore additional details regarding this process are contained within this decision.

Under the terms of the contract, payment will only be made on completion of milestones as outlined in the Statement of Works, therefore there is no risk of incurring any additional costs due to any project slippage. No payments are to be made for holidays, sickness or pension either.

Advice provided by Philip Gretton (Finance Analyst) on 19/10/2021.

The original contract was directly awarded to Penna as it fell below the UK procurement threshold with a value of £171,000. This was for a defined scope of works that have been completed. Through this work additional and linked work has been identified such that the current contract needs to be extended as permitted in line with the original agreement for a further period at a cost of £110,000.

The original contract was outside of scope of procurement regulations and therefore whilst the extension will take the total over the threshold it is not possible to tender for the second phase as this needs to be completed by the original consultant. The second stage is below threshold so there is not an opportunity that requires a tender in line with the Public Contract Regulations 2015. The extension is therefore supported on this occasion although no further extensions can be made.

Advice provided by Steve Oakley (Head of Contracting and Procurement) on 19/10/2021.

It is understood that a consultant was appointed originally to support the review of the Council's companies following the Public Interest Report and the Ministry of Housing, Communities and Local Government's non-statutory review, using a recruitment agency, Penna.

Due to the value falling below the UK Procurement threshold, a direct award was approved via a dispensation.

Whilst it was not envisaged at the outset, further work is now required and as it would not be appropriate to engage a new consultant for these additional requirements at this stage in the process, an extension of the arrangements with the consultant is considered to be the most suitable and cost effective solution for delivery of these requirements. Due to the arrangement in place with Penna, it is not possible to engage a consultant using an alternative framework or agency recruitment.

The value of the additional works is below threshold and so a contract can be awarded directly in accordance with the Council's constitutional procedures.

Advice provided by Dionne Claire Screamon (Solicitor) on 20/10/2021.

Decision Maker (Name and Job Title)

Clive Heaphy, Interim Corporate Director of Finance and Resources

Scheme of Delegation Reference Number

1

Date Decision Taken

12 November 2021