

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

5155

Author:

Paul Stanley

Department:

Growth and City Development

Contact:

Paul Stanley

(Job Title: Head of Development, Email: paul.stanley@nottinghamcity.gov.uk, Phone: 07940406983)

Subject:

To seek approval to procure and award a contract for professional services for Housing Services

Total Value:

£700,000 (Type: Capital and Revenue)

Decision Being Taken:

To seek approval to utilise the Pagabo framework to procure professional services for Housing Services. The professional services will include project management, quantity surveyor and employers agent resources. This is to support the activities of Housing Services (Property Services). To seek approval to award a contract following the procurement exercise.

Reasons for the Decision(s)

The Property Services team within Housing Services require external support to complement the internal resources that are in place. Professional Services are required to support the delivery of a number of key projects. The projects could include the construction of new build homes, refurbishments, damp and mould, disrepair, property conversions, fire safety, building safety, energy efficiency and improving communal spaces. Spend Control Panel approval is requested on a monthly basis.

The use of external professional services is used to provide an extra resource where there is no internal capacity. Historically we have struggled to recruit and retain the expertise we require. We will always look to employ staff directly as a priority and minimise the use of external resources. The use of resources is reviewed monthly as part of the budget forecasting process.

A number of high profile projects are already on site and there is a risk to the success of those if we do not have resources in place.

We currently have an agreement in place for Professional Services and the contract expires in August We are therefore looking to enter into a new contract for professional services. The plan is to have this arrangement in place for one year as the current arrangement is coming to an end. A further report will be presented to the Commercial Oversight Board in the coming months with a longer term strategy

After discussion with procurement we are now aiming to utilise the Pagabo framework to provide Employers Agent/Project Management and Quantity Surveyor resources. The resource will be for a professional support across a range of teams in property services including new build, capital investment, and technical support on individual cases identified through ad hoc inspection or due to fires. Activities can be on individual dwellings to high rise tower blocks. The contract will be to support existing internal capacity and skill set.

In relation to risk, if we did not enter into a new contract, we already have new build and investment works underway supported by external technical resources and we would not be able to deliver these key projects without the support in agreed time line. We do not have sufficient technical internal expertise or capacity within existing internal resources. We have specifically reduced some of the staffing levels in our development team for example as the new build pipeline has reduced significantly due to the decision not to borrow and the 114 notice. We do not want to take on staff that we later need to make redundant. Short term direct employment can be more challenging when delivering larger scale and complex capital works due to getting up to speed with contracts terms, internal NCC systems etc. Working with internal resources only could delay the handover of new homes and costs made against us from contract delays, there could be longer waits for short term technical support on adhoc issues including disrepair and alleged damp as the supply chain for our external contractors still needs to develop further during the first few months of the contract mobilisation.

Briefing notes documents: Professional Services Team - Projects - May 2024.docx

Other Options Considered: There are internal resources in place, however it has proven difficult to recruit and retain suitable candidates

Whilst we have some internal professional and technical resources we need to supplement this as recruitment and retention has proved to be a challenge over the last few years.

A booming external construction market, salary comparison, the growing reputational issues of working within the social housing sector and locally with publicity regarding NCC's broader financial situation are all factors which can influence the desire to work in the local authority environment making total direct delivery more unsustainable. It also reflects a mixed delivery model we have across the property services which helps build technical knowledge, provides an opportunity for learning and an ability to benchmark services on cost and quality

Background Papers:

Unpublished background papers: Professional Services expenditure.docx

Published Works:

Affected Wards: Citywide

Colleague / Councillor Interests: Updates on the progress of projects are reported to the Building a Better Nottingham Steering Group as well as through the capital programme.

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: Appendices providing recent expenditure

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it includes commercially sensitive information.

Documents exempt from publication:

Professional Services expenditure.docx

Consultations:

Date: 03/05/2024

Other: Sue Oliver

Procurement advice is to seek approval via a delegated decision prior to commencing procurement

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

Not applicable

Equality:

EIA not required. Reasons: Not applicable

Social Value Considerations:

We intend to use the Pagabo framework and will ensure appropriate checks have taken place to ensure that social value has been factored in

Relates to staffing:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

12/08/2024

Advice Sought:

Legal, Finance, Procurement, Human Resources, Other: Mark Lucak(mark.lucak@nottinghamcity.gov.uk)

Commissioner Comments: Decision approved

Legal Advice: The report seeks approval to utilise the Pagabo framework to procure professional services for Housing Services. The professional services will include project management, quantity surveyor and employers agent resources. This is to support the activities of Housing Services (Property Services). The report also seeks approval to award a contract following the procurement exercise. The proposal raises no significant legal concerns and is supported. The council must ensure compliance with the Contract Procedure Rules and the Public Contracts Regulations 2015. Advice provided by Amana Parveen (Solicitor) on 04/06/2024.

Finance Advice:

The rag rating of the projects are as follows:

GREEN - These projects within the HRA / GEN Capital Programmes are delivered by the Housing Services Development Team. The cost of the Professional Services for delivering the works are charged to the revenue account and funded through salary savings from the Original Budget for the team. The Team is funded through a combination of HRA budget and HRA capital fee income.

YELLOW - These projects within the HRA Capital Programme are delivered by the Housing Services Asset Management Team - The cost of the Professional Services for delivering the works are charged to the revenue account and funded through salary savings from the Original Budget for the teams or specific external consultancy budgets - The Teams are funded through a combination of HRA budget and HRA capital fee income.

PINK - These projects within the HRA Capital Programme are delivered by the Housing Services Planned and Replacement Team. The cost of the Professional Services for delivering the works are charged to the revenue account for each individual project (along with Direct Labour, Materials etc) and then costs are recharged to the HRA Capital Programme through an agreed valuation process if they meet the capital criteria. Any remaining cost are funded through the Housing Services revenue budget (HRA Budget).

Advice provided by Geetha Blood (Strategic Finance Business Partner) on 13/06/2024.

Procurement Advice: There are no procurement issues with the decisions being sought. The call-off will be a further competition under Lot 3 of the framework (covering Quantity Surveying, Project & Programme Management, Lead Consultant, and Employer's Agent). The Procurement Team will assist to ensure that the call-off, and contract award, are compliant with Contract Procedure Rules and the Public Contracts Regulations 2015. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 31/05/2024.

HR Advice: I am aware that we are recruiting to the roles in order to avoid the use of this contract where we can. Please continue to do this and also continue to mitigate the use with current resources where you can. Advice provided by Mark Lukac (HR Business Partner) on 30/05/2024.

Other Advice: None.

Signatures

Jay Hayes (Executive Member - Housing and Planning)
SIGNED and Dated: 05/08/2024

Sajeeda Rose (Corporate Director of Growth & City Development)
SIGNED and Dated: 23/07/2024