

## Commissioning and Procurement Executive Committee – 11 February 2025

<b>Subject:</b>	Corporate Landlord procurement requirements 2025-26		
<b>Corporate Director:</b> <b>Director:</b>	Nicki Jenkins – Growth and City Development Beverley Gouveia – Head of Property		
<b>Executive Member:</b>	Cllr Ethan Radford - Skills, Growth and Economic Development		
<b>Report author and contact details:</b>	Trevor Bone, Head of Building Services & Facilities Management <a href="mailto:trevor.bone@nottinghamcity.gov.uk">trevor.bone@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Michelle Pullen – Finance Anthony Heath – Legal Jonathan Whitmarsh – Procurement		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Total value of the decision:</b> £1,260,000 (contractual value)			
<b>Section 151 Officer expenditure approval</b>			
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number:			
<b>Commissioner Consideration</b>			
Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
<b>Wards affected:</b> City Wide			
<b>Date of consultation with Executive Member:</b> 14 January 2025			
<b>Relevant Council Plan Key Outcome:</b>			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input checked="" type="checkbox"/>		
Carbon Neutral by 2028	<input checked="" type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input checked="" type="checkbox"/>		
Improve the City Centre	<input checked="" type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
This report sets out Corporate Landlord Services (CLS), Building Services (BS) and Facilities Management (FM) teams' procurement requirements for financial year 2025-26.			
The Council has a statutory duty to be compliant with all applicable asset legislation in relation to its asset portfolio. This duty is met by carrying out statutory testing and inspecting, planned, reactive and minor works on its asset portfolio. Whilst works are performed in-house wherever possible, there are occasions where specialist contractors or additional resource is required. This report sets out how those requirements are to be procured to provide a seamless ability to meet the Council's statutory duty.			

CLS need to award several framework agreements and contracts to the value of £1,260,000 (as detailed in appendix 1) in conjunction with the council's procurement team.

**Exempt information:** None

**Recommendations:**

- 1** To approve the proposed expenditure of at least £1m of the £3.1m planned maintenance budget for 2025/26, to be spent on services delivered through in-house provision.
- 2** To delegate authority to the Director of Economic Development and Property to procure and award the frameworks and contracts (as set out in appendix 1) to the value of £1,260,000.
- 3** To delegate authority to Director of Economic Development and Property to award call-off contracts under the frameworks within established budgets, in compliance with the terms of the frameworks, without having to seek further approvals up to the financial limit for officer decisions in force at the time. For avoidance of doubt, awards of contract other than provided for in this recommendation shall seek approval appropriate to the delegated limits of authority set out in the Constitution
- 4** To note that awards of contract other than provided for in recommendation 3 above shall seek approval appropriate to the delegated limits of authority set out in the Constitution.

**1. Reasons for recommendations**

- 1.1 There are several contracts which the Building Services and Facilities Management (BS&FM) department use that are coming to the end of their term in March 2025 onwards. The contracts set out in Appendix 1 require re-procurement to enable CLS to keep the Council's asset portfolio compliant with regulatory, legislative and insurance. Through the proposed procurement routes the Council can continue to improve efficiency and service of supplier delivery across multiple operationally high-risk work streams and improve value for money for Directorates across the Council. Our annual procurement programme has proven to be the best approach to securing a competent specialist supply chain with the lowest costs possible.
- 1.2 This report details how orders are placed with Contractors through the Council's robust system. To ensure a smooth and timely process for placing orders it is recommended that the Director of Economic Development and Property has delegated authority to approve contracts and call-offs made under frameworks for their duration in line with the delegated financial limits set out in the Constitution. No award will be made without evidence that the budget has been approved for the ordered requirement.
- 1.3 It has been identified that at least £1m of the 2025/26 planned maintenance budget can be delivered through use of in-house services therefore avoiding suppliers significant OH&P.

**2. Background (including outcomes of consultation)**

- 2.1 CLS – BS & FM team provide a range of asset and facilities management services specifically planned maintenance, reactive, minor works, facilities management which is defined as "the tools and services that support the functionality, safety, and sustainability of buildings, grounds, infrastructure, real estate and cleaning etc"

all with the intention of maintaining the safety and integrity of the Council's operational property portfolio.

- 2.2 The Council has a statutory duty to maintain and service all equipment within its property portfolio in accordance with current legislation for buildings to be safe and compliant with legislative requirements and to ensure the management of risk is undertaken by appropriately trained and qualified colleagues. This ensures that our citizens and visitors to the city are safe when visiting/using the council's assets and ensure the frontline services can be delivered from the facilities.
- 2.3 In addition to having and managing its own determined work programme and budget, the service also provides a complete building services and facilities management function to support departments across the Council. Approval for these works (if required) will be sought by the budget holders in line with the Constitution. Prior to providing any services to a department BS&FM require evidence that there is an approved budget and spend control approval in place.
- 2.4 In providing a range of services, and delivery against its own requirements it is necessary to use a mix of in-house provision and the use of external specialist contractors. The use of specialist external contractors is mainly for the delivery of specialised works and services, or on occasion to meet any resource requirements it's in house team require.
- 2.5 The budget allocated for planned maintenance for 2025/26 is c£3.1m of which it is intended that at least £1m will be spent internally. The remaining amount will be spent through external contracts which are either already in place through previous procurement exercises or the newly procured contracts as set out in this report.
- 2.6 BS & FM have successfully engaged for several years with the Council's Procurement Team to run tenders to appoint a range of contractors and demonstrating Best Value for the Council.
- 2.7 BS & FM have already undertaken the restructuring of its supply chain, which has previously achieved a £450k p/a reduction in costs across the Directorates. BS & FM also insourced multiple work streams e.g. legionella flushing, fire alarm weekly bell testing, asbestos auditing etc. to further gain cost and service delivery efficiencies and improving their effectiveness. All new contracts include a contractual clause to enable further insourcing activity, the addition and deletion of the asset register and social and economic responsibilities.
- 2.8 The Planned Maintenance programme ensures health and safety issues within the Councils operational portfolio are overseen in a strategic manner. The projects are subject to there being an approved budget in place which is usually the annual budget allocated to BS & FM. All projects undergo and pass the scrutiny and governance of the Operational Asset Group (OAG). The statutory planned maintenance programme enables all the statutory checks, inspections, and insurance testing to be completed throughout the operational portfolio and ensure assets are safe to use. It also ensures 24/7 service delivery throughout the year.
- 2.9 All contracts and orders placed under a framework arrangement are recorded on the Council's Concerto system. This ensures the 'Golden thread' of live data and evidence of works undertaken are captured and all certification associated with compliance is stored centrally. It also means that the Director of Economic Development and Property has confidence that any order placed not only has evidence that there is a budget in place but that the order is fully recorded and can

be used for any audit purposes. New contracts will continue to require the supplier to utilise our asset management system.

### **3. Other options considered in making recommendations**

- 3.1 Do nothing and allow contracts to end, which will remove statutory, regulatory, and legislative compliancy across the Council's portfolio of assets and increase the risk of prosecution and reputational damage to Nottingham City Council. This option was considered unacceptable and rejected.
- 3.2 Insource all the activity covered by the contract areas under consideration for renewal. Due to the complexity and high risks involved with this task, including a lack of competency-based skills and training, equipment, and specialised resource, it was considered unacceptable and rejected.
- 3.3 Allow Nottingham City Council's directorates to purchase their own asset compliancy services. This is a very high-risk approach to asset safety and compliance across the portfolio and the Council would find it very hard to track actual compliance through our current systems. In 2024 under the Corporate Landlord Services programme all Statutory testing across the Council is now the responsibility of Corporate Landlord Service BS&FM team. Such an approach would lead to additional expense and the general safety of the asset compromised as well as going against the principles of the Corporate Landlord model introduced in 2023. This option was considered unacceptable and rejected.

### **4. Consideration of Risk**

- 4.1 N/A

### **5. Best Value Considerations**

- 5.1 DIY: do it yourself through redesign – BS&FM are currently redesigning to accommodate more statutory and insurance testing as we unpick Councils Corporate Landlord requirements.
- 5.2 BIY: buy it yourself e.g. procurement – Model chosen.
- 5.3 BIWO: buy it with others- joint procurement – Not favourable to others due to the current financial position of the Council. Talks have begun with Nottingham County about possibilities which it is hoped can mature into a plan in 25/26.
- 5.4 DIWO: do it with others e.g. shared services/ partnerships with local authorities - as above.
- 5.5 DIFO: do it for others - trading and income enhancement. Not allowed to under the Councils constitution.
- 5.6 EO: enable others - Not favourable to others due to the current financial position of the Council and the high risk of the work streams.
- 5.7 REDUCE: service standards commensurate with affordability - Standards are already at minimum statutory requirements.
- 5.8 STOP: Not an option whilst the Council has property portfolio.

## 6. **Commissioner comments**

6.1 Commissioners have reviewed the report and have no additional comments. (27/01/25)

## 7. **Finance colleague comments (including implications and value for money/VAT)**

7.1 This report seeks approval to move forward with procurement of several contracts. This will enable the continuation of services funded through existing budgets.

7.2 The report contains assurances that when it comes to placing orders through the new contracts, that all approval routes and controls applicable at the time will be adhered to. It further seeks approval to spend c.£1m of the existing Planned Maintenance budget on in-house delivery.

7.3 In order to adhere with City Council procurement rules and financial regulations it is necessary to undertake the re-procurement stated in this report and therefore the recommendations are agreed to.

7.4 The values set out in the Appendix and identified in Recommendation 1 is the value of the contracts and is not the budgeted figures. Any contracts procured will need to be within future budgets available.

7.5 In line with Recommendation 2, all agreed contracts will be awarded by the Director of Economic Development and Property. These will be monitored in line with the budgets and contract values.

Michelle Pullen, Senior Commercial Business Partner - 17 December 2024

## 8. **Legal colleague comments**

8.1 This report seeks a decision to allow the creation, by the Council, of a number of Framework arrangements as set out in Appendix 1, to delegate authority to Director of Economic Development and Property to award call-off contracts under the frameworks and for other market engagement to be undertaken as set out in Appendix 1.

8.2 Generally, this report presents no significant legal concerns. The proposals in the report will allow the Council the opportunity to meet relevant statutory duties and follow a route to market compliant with the Council's constitution and the Procurement Act 2023, if that comes into force as expected in February 2025.

8.3 It is proposed that a number of the contracts are based on the NEC 4 suite of contracts. If variations to the standard terms are requested, external legal support may be required to assess the legal risks and potential consequences, if any, of such requested variations as there is no in-house legal expertise on such specialised contracts.

8.4 Legal Services would be happy to support colleagues in accessing such external legal support should the need arise.

Anthony Heath, Head of Legal Services - 18 December 2024

**9. Procurement Comments**

9.1 There are no direct procurement concerns arising from this report. The Procurement Team will work with the client to ensure that contracts awarded and frameworks created comply with Contract Procedure Rules and relevant provisions of the Public Contracts Regulations in force at the time.

Jonathan Whitmarsh, Lead Procurement Officer - 20 January 2025

**10. Other relevant comments**

10.1 None.

**11. Crime and Disorder Implications (If Applicable)**

11.1 N/A

**12. Social value considerations**

12.1 All contracts have suppliers social, economic, and environmental promises to be fulfilled over the duration of the contract.

**13. Regard to the NHS Constitution (If Applicable)**

13.1 N/A

**14. Equality Impact Assessment (EIA)**

14.1 An EIA has been undertaken and due regard will be given to any implications identified in it.

**15. Data Protection Impact Assessment (DPIA)**

15.1 A DPIA is not required.

**16. Carbon Impact Assessment (CIA)**

16.1 A CIA has been undertaken and due regard will be given to any implications identified in it.

**17. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

17.1 N/A

**18. Published documents referred to in this report**

18.1 N/A