

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3160
Author:	Steve Oakley
Department:	Strategy and Resources
Contact:	Steve Oakley (Job Title: Head of Contracting and Procurement, Email: steve.oakley@nottinghamcity.gov.uk, Phone: 01158762836)
Subject:	Procurement Sold Service and Structure Change
Total Value:	£600,000 over 3 years or £200,000 per annum income (Type: Revenue)
Decision Being Taken:	<p>To approve the receipt of income from District and Borough Councils for the provision of a procurement service.</p> <p>To approve the structural changes outlined to ensure sufficient capacity within Procurement to deliver a professional service and agree recruitment to posts (Non-Executive Officer decision of the Corporate Director of Strategy and Resources under Scheme of Delegation number 16)</p> <p>To delegate to the Head of Contracting and Procurement, in consultation with the Corporate Director of Strategy and Resources, the authority to commence recruitment when further income is confirmed (Non-Executive Officer decision delegated to the Corporate Director of Strategy and Resources under Scheme of Delegation number 16)</p> <p>Delegate responsibility to the Head of Contracting and Procurement to negotiate further with local District and Borough Councils, to agree the income for providing the service and to agree contract terms.</p>
Reasons for the Decision(s)	<p>The Head of Contracting and Procurement has been working with a number of local District and Borough Councils on a plan to provide a Procurement Service for them. Currently one district has formally agreed and two are at advanced stages of negotiation on the cost and service levels.</p> <p>The Head of Contracting and Procurement will continue to negotiate a price that has a fixed price element agreed for each Council and then an element of gainshare which will be paid when savings are made through Procurement.</p> <p>The initial term of agreement will be between 1 and 3 years so structural changes will be initially temporary until a permanent solution is agreed with the Councils. The proposed structural changes will involve additional duties for up to four officers and offering secondments or short term contracts for two new Procurement Officers: one to fill a vacant post and the other an additional post within the structure. The changes to the structure will be dependent upon the level of income received and the number of authorities purchasing the service.</p>

Other Options Considered: Do nothing or not provide a service - this would result in not receiving the income from the other Councils and potential reductions in Procurement staffing to meet budget pressures.

Background Papers:

Published Works:

Affected Wards: Citywide

Colleague / Councillor Interests:

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: The appendices are exempt as they identify individual's posts that are impacted by this decision.

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 the information contains specific financial contract details about the service offer.

4 - Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information contains details about proposed changes to officers contract of employment.

Documents exempt from publication:

Exempt Report for Procurement Income from Selling Services 2018 Version 3.docx, EXEMPT - DDM Procurement Service - Financial Advice.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: Not required EIAs will be required on individual projects

Relates to staffing:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

30/05/2018

Advice Sought:

Legal, Finance, Human Resources

Legal Advice:

The City Council has power to provide the procurement services to other district and borough councils and can agree the level of charges for the provision of those services. It is the responsibility of the purchasing councils to ensure they have complied with their procurement duties. The City Council will be expected to sign agreements to provide the services for which there will be liability in the event of default. The City Council should agree suitable caps on its liability which are proportionate to the value of the charges and should ensure it has in place an adequate level of professional indemnity insurance. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 10/05/2018.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix Advice provided by Hayley Mason (Strategic Finance Business Partner) on 09/05/2018.

HR Advice:

Management are proposing to recruit to a number of posts, the number of which will be determined by the amount of funding received by the borough councils for the provision the services. The additional resources are necessary for the delivery of these services to the borough councils.

Management will need to ensure that recruitment is conducted through the appropriate processes, including Redeployment. As the agreement with the borough council will initially be between 1-3 years, management may also wish to consider secondment arrangements, given the temporary nature at this stage.

Management to be aware that the post holder(s) should commence on a starting salary on Level One within the grade (unless the appointed colleague is already in employment at the council and on Level two of the same grade, in which case the employee would be matched over at the rate of pay they currently receive).

As the post(s) is initially temporary, an appropriate exit strategy must be in place in order to terminate the contract in line with NCC guidance in the result that the post cannot be made permanent at the end of the fixed term period. Management will need to ensure appropriate timelines are in place to notify the affected employee and give appropriate notice.

Management will also need to be aware of potential costs in any exit arrangement such as redundancy compensation will need to be budgeted for, particularly if successful candidates accrue 2 years or more continuous service.

Where additional duties arrangements are put place, management are advised to follow the additional payment process and seek further HR advice as necessary.

There will need to be a support and development plan for the new post holder(s) once appointed in line with managing performance through the new probationary policy.

Management should take into account any vacancy delay, HR recommends recruiting to posts due to the service provision agreed with the borough councils and the organisational demand this will bring, but the decision to recruit is held with the Director and Corporate Director.

Advice provided by Tom Stevens (Service Redesign Consultant) on 01/05/2018.

Signatures

Graham Chapman (PH for Finance, Resources and Commercial Services)
SIGNED and Dated: 22/05/2018
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 21/05/2018