

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3426
Author:	Martin Williams
Department:	Development and Growth
Contact:	Martin Williams (Job Title: Commercial And Governance Manager, Email: martin.williams@nottinghamcity.gov.uk, Phone: 01158764226)
Subject:	Employ a financial consultant to advise on a PFI re-finance project
Total Value:	£95,000 (Type: Revenue)
Decision Being Taken:	1) To approve procurement of a financial consultant off a framework. 2) To delegate authority to enter into a contract with a financial consultant to the Corporate Director of Development and Growth.
Reasons for the Decision(s)	<p>The Local Authority has been approached by one of its Private Finance Initiative (PFI) partners with a view to re-financing its debt. This could potentially generate savings for the Authority. To allow the proposals to be checked and obtain a level of certainty the Authority need to engage a specialist advisor with finance and PFI modelling skills. Any decision to proceed will be subject of a further more detailed report.</p> <p>The cost of the financial consultant will be met from the re-financing gain, however if the re-finance does not proceed the costs of the consultant will be funded from the PFI reserve.</p>
Other Options Considered:	In house options were considered but the necessary skill sets are not available.
Background Papers:	None
Published Works:	None

Affected Wards:	Citywide					
Colleague / Councillor Interests:	None					
Any Information Exempt from publication:	Yes					
Exempt Information:	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 could impact the ability to get the best price via procurement of the specialist advisor.					
Documents exempt from publication:	Finance advice re PFI refinancing decision 13.02.19.docx					
Use of Consultants	<table border="1"> <tr> <td>Number of Days:42</td> </tr> <tr> <td>Rate per Day:2261</td> </tr> <tr> <td>Total value:95000</td> </tr> <tr> <td>Start date:01/03/2019</td> </tr> <tr> <td>End date:27/09/2019</td> </tr> </table>	Number of Days: 42	Rate per Day: 2261	Total value: 95000	Start date: 01/03/2019	End date: 27/09/2019
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End date: 27/09/2019						
Reason for using a consultant:	<p>This is a complex and specialist field and the use of a consultant will provide the Authority and Department for Transport with the necessary assurance that the deal proposed is robust and provides Value for Money.</p> <p>We are currently undertaking a procurement exercise and the values in this report are estimated and will be capped at a maximum total spend of £95,000.</p>					
Other options considered:	In house but the necessary skill set was not available.					
Name of consultant:	Currently being Procured					
Reason for selection?	To be procured - but would expect them to have a successful track record of PFI re-financing experience.					

Has the consultant previously completed work for the City Council?	Don't know at this point in time as the preferred consultant has not been identified.
Specific activities to be undertaken by the consultant are:	Analysis of the projects refinancing gain potential; Review of contractual qualifying refinancing provisions; Report detailing review findings; SPV financial model review of refinancing solution; funding terms review and benchmarking analysis.
Period of engagement:	Aprox 7 Months
By what process was the consultant selected?	Mini tender from framework
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	None
Equality:	EIA not required. Reasons: The decision has no impact on any equality issues
Social Value Considerations:	The consultant is being employed to ensure Value for Money is being obtained for the Authority and all necessary financial standards are adhered to. If the refinancing exercise is successful savings will be generated for the Authority.
Relates to staffing:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	06/03/2019
Advice Sought:	Legal, Finance, Procurement, Human Resources
Legal Advice:	This report does not raise any significant legal issue provided the contract is awarded in accordance with the City Council's Financial Regulations. As the costs to the City Council of the consultants could be wasted if the PFI refinancing does not proceed the City Council team involved in negotiating the re-financing deal will try to employ the most efficient arrangements for the use of the consultants time to minimize the City Council's financial exposure. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 12/02/2019.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix Advice provided by Glyn Daykin (Senior Accountant - Treasury Management) on 13/02/2019.

HR Advice:

The report author has stated that in order to allow the proposals to be checked and obtain a level of certainty, the Authority need to engage a specialist advisor with finance and PFI modelling skills.

The cost of the financial consultant will be met from the re-financing gain and if the re-finance does not proceed, the costs of the consultant will be funded from the PFI reserve

In house options were considered by the Author but the necessary skill sets are not available.

Advice provided by Shilpa Arya (HR Consultant) on 15/02/2019.

Procurement Advice:

The report author has already engaged with procurement to ensure compliance with the Council's financial regulations and contract procedure rules. A tender (call-off) will be conducted via a CCS Framework in order to secure best value for the Council and the citizens it represents. On this basis there are no procurement concerns with the approach. Advice provided by Mabs Karim (Procurement Officer) on 15/02/2019.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 27/02/2019
Dave Liversidge (Portfolio Holder for Transport and HR)
SIGNED and Dated: 26/02/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 25/02/2019