

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

<b>Reference Number:</b>	<b>3622</b>
<b>Author:</b>	<b>Lesly Sibanda</b>
<b>Department:</b>	<b>Strategy and Resources</b>
<b>Contact:</b>	<b>Lesly Sibanda</b> <b>(Job Title: IT Supply &amp; Contracts Officer, Email: lesly.sibanda@nottinghamcity.gov.uk, Phone: 01158763161)</b>
<b>Subject:</b>	<b>Professional Cost Management Group (PCMG) Review of Telecommunication and Data Costs</b>
<b>Total Value:</b>	<b>£163,000 (Type: Revenue)</b>
<b>Decision Being Taken:</b>	<b>Approval to employ the services of PCMG, which specialises in auditing telecom payments against the agreed contract, and the services received and the physical telecommunications equipment, provided e.g. circuits.</b> <b>To grant dispensation from Contract Procurement Rule 5.1.1. In accordance with financial regulation 3.29 and to make a direct award through a Crown Commercial Services (CCS) framework to Professional Cost Management Group (PCMG)</b>
<b>Reasons for the Decision(s)</b>	<b>In 2011, we employed PCMG to audit our telecom contracts and this successfully recovered some monies.</b> <b>We now wish to employ PCMG to repeat this exercise and review our present telephony contracts which, combined, cost in excess of £800,000 per annum. We will be able to review payments made over the last twelve year period as the contracts are under seal we are able to.</b> <b>We are unable to state the amount of monies that are likely to be recovered, however, we aim to negotiate a lower percentage fee payable to PCMG so that we retain most of the contracts' overpayments. NCC will not incur any charges and/or costs if no monies are recovered by PCMG.</b>
<b>Other Options Considered:</b>	<b>Do nothing- The Council is subject to significant budgetary pressures and so not challenging costs from our major suppliers is not an option.</b> <b>Seek recovery of funds without expert support. Recovery of funds from telecommunications providers requires a degree of experience and knowledge that is not available to the Council</b>

**Background Papers:** **None**

**Published Works:** **DDMF 0986 dated 20 December 2011 Professional Cost Management Group (PCMG) - British Telecom refund**

**Affected Wards:** **Citywide**

**Colleague / Councillor Interests:** **None**

**Any Information Exempt from publication:** **Yes**

**Dispensation from Financial Regulations:** **Yes**

**Exempt Information:**

**Description of what is exempt:** **Commercially sensitive negotiation 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 contains commercially sensitive information regarding fee percentages which could prove disadvantageous in future negotiations**

**Documents exempt from publication:** **Professional Cost Management Group Exempt doc.docx**

**Consultations:** **Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

There are no Crime and disorder implications

**Equality:**

EIA not required. Reasons: EIA is not required as the decision does not relate to a new or changing policy, service or function.

**Social Value Considerations:**

Not applicable

**Any implications affecting IT:**

Yes

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

Yes

**Call In Expiry date:**

29/08/2019

**Advice Sought:**

Legal, Finance, Procurement, IT

**Legal Advice:**

It is not considered that this procurement gives rise to significant legal questions.

Legal is available to assist the procurement if requested Advice provided by Brian Lewis Stewart (Solicitor) on 06/06/2019.

**Finance Advice:**

This decision seeks approval to engage with Professional Cost Management Group (PCMG) to audit NCC's telecom contracts to ensure accurate billing and that no discrepancies have been paid by NCC in error in the past.

This exercise was done last in 2011 where it identified contract overpayments that were subsequently returned to NCC. This exercise, if approved again, will seek to reduce the fee paid to PCMG to ensure maximum return to NCC. This fee, once a percentage has been agreed, will be funded from the savings PCMG generate. If there are no discrepancies found by PCMG then NCC will not incur any charge for their service. The level of financial return to NCC is unknown at present until the exercise has been completed.

NCC are unable to perform the level of scrutiny required in-house due to the complexity of telecoms and the wide range of services used. Even if NCC were to attempt this in-house, there would be no guarantee of savings to offset the sunk staff costs as well as NCC not having the software needed.

The decision seeks dispensation from Contract Procurement Rule 5.1.1 in accordance with financial regulation 3.29 to directly award to PCMG through a Crown Commercial Services (CCG) framework.

**IT Advice:**

The IT Service support the proposal made in this delegated decision.  
 Whilst colleagues make every effort to ensure that correct tariffs are applied to telecoms services and review bills and query these where they find discrepancies it is possible that some items of incorrect billing are missed. This is due to the complexity of telecoms and to the wide range of services used by the Council. To address these issues of incorrect billing and payment it is prudent to employ a specialist agency who can bring expertise to a review of past bills and payments to identify opportunities for correction on a 'risk and return' basis.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 16/05/2019.

**Procurement Advice:**

There are no significant procurement implications in relation to this decision Advice provided by Mabs Karim (Procurement Officer) on 07/06/2019.

**Signatures**

David Trimble (Portfolio Holder for Leisure, Culture and IT)
SIGNED and Dated: 21/08/2019
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 15/08/2019
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 07/08/2019
Chief Finance Officer's Comments: