

ABERDEEN CITY COUNCIL

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| COMMITTEE | Strategic Commissioning Committee |
| DATE | 30 January 2020 |
| EXEMPT | Not exempt: Covering Report; Appendix 1 – Workplan, Summary of business cases and Appendix 2 – Summary of 3:10 memos Exempt: Yes – Paragraph 8 Appendices 3 onwards. The report refers to the amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services provided that disclosure to the public of the amount there referred to would be likely to give an advantage to a person or organisation entering, or seeking to enter, a contract with the Council. |
| CONFIDENTIAL | No |
| REPORT TITLE | Workplans and Business Cases - Revenue |
| REPORT NUMBER | COM/20/018 |
| DIRECTOR | Rob Polkinghorne |
| CHIEF OFFICER | Craig Innes |
| REPORT AUTHOR | Craig Innes |
| TERMS OF REFERENCE | Purpose 2 |

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement workplans where revenue expenditure is included for Operations and Customer Functions to Committee for review and to seek approval of the total estimated revenue expenditure for each proposed contract as contained in the Procurement Business Cases appended to the report.

2. RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 reviews the workplans of the Operations and Customer Functions as detailed in the Appendices;

- 2.2 approve each of the individual procurement business cases, including the total estimated revenue expenditure for each proposed contract,
- 2.3 approve the direct awards of contract where there are special circumstances outlined in each of the respective procurement business cases which justify not issuing a tender or calling off a framework agreement, and
- 2.4 notes that Business Cases for procurement exercises to be commenced after 2 April 2020 committee will be submitted on a phased basis to future meetings of the Strategic Commissioning Committee.

3. BACKGROUND

- 3.1 The ACC Procurement Regulations 2019 requires that authority to incur expenditure must be sought prior to any invitation to tender or contract entered into. The method of authorising depends upon the contract value, with contracts above £50,000 (supplies/services) or £250,000 (works) requiring to be listed on a workplan with an associated Procurement Business Case and submitted by the relevant Chief Officer to the Strategic Commissioning Committee (Revenue budget only), and/or to City Growth and Resources Committee (Capital and Capital with Revenue implications). The approval of the applicable Committee is required prior to the procurement being undertaken.
- 3.2 Committee is asked to review the Operations and Customer Functions' workplans and to approve the expenditure detailed in each Procurement Business Case appended to the report.
- 3.3 There are no business cases for the Resources, Commissioning and Place or Governance Functions this cycle.

4. FINANCIAL IMPLICATIONS

- 4.1 The indicative value of each proposed contract is shown within the respective workplan in the Appendices. The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach. The refreshed approach to governance ensures that all contracts are aligned to the approved budget provision for each financial year with controls in place for flexibility if required. This also assists the Council in meetings its statutory duty to keep a Contracts Register.

5. LEGAL IMPLICATIONS

- 5.1 All contracts shall be procured in accordance with procurement legislation and the Commercial Legal Team within C&PS shall provide legal advice where necessary.

6. MANAGEMENT OF RISK

| | Risk | Low (L), Medium (M), High (H) | Mitigation |
|---------------------|---|-------------------------------------|--|
| Financial | Escalation of costs | L | A strong focus on value for money in all commissioning activities. |
| | Unable to control demand | M | Ongoing focus on demand reduction strategies. |
| | Differing market conditions depending on commodity/service | M | Use of Business Intelligence to help predict market changes and trends. |
| Legal | Failure to comply with procurement and other legislation. | L | Engagement with Commercial Legal Team within the Commissioning Function. |
| Employee | Insufficient information provided by officers and lack of resources. | M | Workplan shall allow for the proportionate allocation of resource depending on the risks and business criticality of each contract. |
| | Insufficient commissioning skills across the organisation. | M | Workforce development and training plan will be put in place across the Council. |
| Customer | New approach to customer services | M | Involving Customers in the re-design of provision. |
| Environment | Failure to consider sustainable options. | L | Ensure all contracts consider environmental considerations. |
| Technology | New technology is not embraced in full. | L | Market research undertaken by Commissioning officers and support and advice from the Council's Digital Partner. |
| Reputational | Lack of understanding or appreciation of the new process of workplans and business cases. | L | Engagement sessions with all Council Functions to ensure an understanding of the benefits of forward-planning and the value that strategic commissioning brings to the delivery of outcomes. |

7. OUTCOMES

7.1 All outcomes of the LOIP will be considered as part of the development of new contract specifications and specifications will align to any related outcomes.

| Design Principles of Target Operating Model | |
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| | Impact of Report |
| Customer Service Design | Commissioning will work with Customer services on the design and monitoring of impact. |
| Organisational Design | Enabling a strategic commissioning approach is a key aspect of the future organisational design. |
| Governance | There will be close working between the City Growth and Resources and the Strategic Commissioning Committees and any relevant governance arrangements. The submission of the workplan complies with the requirements of the Council's Procurement Regulations. |
| Workforce | A key aspect of developing this approach will be the development and involvement of key staff within the commissioning cycle of all contracts. |
| Process Design | Co-design of future provision and the development of outcome-based specifications will be an important aspect of delivering best value. |
| Technology | The use of technology will be important particularly regarding analysis of data and performance. |
| Partnerships and Alliances | As part of contract design, partnership working will be embedded in the approach. |

8. IMPACT ASSESSMENTS

| Assessment | Outcome |
|--|------------------------------|
| Equality & Human Rights Impact Assessment | Not required for this report |
| Data Protection Impact Assessment | Not required for this report |
| Duty of Due Regard / Fairer Scotland Duty | Not applicable |

9. BACKGROUND PAPERS

None.

10. APPENDICES

Public

Appendix 1 Summary Workplan of business cases
Appendix 2 3:10 Memo summary

Private

Appendix 3 Operations Workplan, and business cases
Appendix 4 Customer Workplan, and business cases

11. REPORT AUTHOR CONTACT DETAILS

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