

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	20 March 2020
EXEMPT	Not exempt: Covering Report; Appendix 1 – Workplan, Summary of business cases Exempt: Yes – Paragraph 8 Appendix 2 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/20/078
DIRECTOR	Rob Polkinghorne
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Craig Innes
TERMS OF REFERENCE	1

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement workplans where revenue expenditure is included for the Commissioning and Operations 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 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.

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 Commissioning and Operations Functions workplans and to approve the expenditure detailed in each Procurement Business Case appended to the report.
- 3.3 Approval of the appended Business Cases is sought to enable these areas of business to continue however, considering the current dynamic situation, it is prudent for all procurements to be reviewed by Head of Commercial and Procurement following tender returns and prior to the entering into a formal contract. Should the Head of Commercial and Procurement Services deem it not to be in the best interests of the authority to continue with the procurement at that time, the procurement will not progress and the Head of Commercial and Procurement Services will notify the Strategic Commissioning Committee accordingly.
- 3.4 There are no business cases for the Customer, Commissioning, Governance, Place or Resources Functions.

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	
	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

Private

Appendix 2 Operations Workplan, and business cases

11. REPORT AUTHOR CONTACT DETAILS

Name	Craig Innes
Title	Head of Commercial & Procurement Service
Email Address	CInnes@aberdeencity.gov.uk
Tel	01224 665650