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| | <h2>Policy and Resources Committee</h2> <h3>11 June 2018</h3> |
| <p style="text-align: right;">Title</p> | <p>Contract variations and extensions</p> |
| <p style="text-align: right;">Report of</p> | <p>Commercial Director</p> |
| <p style="text-align: right;">Wards</p> | <p>All</p> |
| <p style="text-align: right;">Status</p> | <p>Public</p> |
| <p style="text-align: right;">Urgent</p> | <p>Yes</p> |
| <p style="text-align: right;">Key</p> | <p>No</p> |
| <p style="text-align: right;">Enclosures</p> | <p>None</p> |
| <p style="text-align: right;">Officer Contact Details</p> | <p>Elaine Tuck, Strategic Lead Commercial. elaine.tuck@barnet.gov.uk</p> |

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| <h3>Summary</h3> |
| <p>The Council has been supported on financial review work since January 2018 when the direct award of a contract was made compliantly through ESPO Framework 664-17 (Consultancy Services) to Grant Thornton. The contract was awarded for a value of up to £150,000 with an extension option until 30 April 2019. In February 2018 a contract was awarded through Local Government Resourcing Partnership (LGRP) Framework Lot 1 for Interims for a value of up to £181,000, also supporting financial review work. The LGRP framework is in place until 30 September 2019. Further work is now required to support the Council in ensuring robust financial controls are in place and value extension is required on both contracts, with an anticipated total value of up to £500,000 for each.</p> |

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| <h3>Officers Recommendations</h3> |
| <ol style="list-style-type: none"> 1. To vary the direct award contract to Grant Thornton for financial review work up to 30 April 2019 with a value of up to £500,000. 2. To enable increased use of the LGRP framework for interim staff, varying the value up to £500,000 up to the end of the LGRP framework as allowed under the |

framework.

1. WHY THIS REPORT IS NEEDED

- 1.1 Following a review of financial procedures and practices, the Council requires further financial consultancy services and interim resources. This requirement was not foreseen and work needs to take place swiftly.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To provide additional ongoing review and monitoring of financial controls to provide assurance to the Council.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The only alternative is to not enhance monitoring of financial controls. This would not provide the required assurance to the Council.

4. POST DECISION IMPLEMENTATION

- 4.1 To vary the direct award contract to Grant Thornton, as provided for in the contract, for financial review work up to 30 April 2019 with a value of up to £500,000.
- 4.2 To enable increased use of the LGRP framework for interim staff, varying the value to up to £500,000 up to the end of the LGRP framework as allowed under the framework.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The corporate plan includes a focus on ensuring 'services are delivered efficiently to get value for money for the taxpayer'. Financial review work supports this aim.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The ESPO Framework 664-17 and the LGRP Framework have been used with agreed day rates rather than contracting with the provider directly which would be more costly, thereby providing value for money.
- 5.2.2 Costs of up to £500,000 for each contract will initially be funded from the service development reserve.

5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. This will be taken into consideration for the contracts and procurements referenced in this report.

5.4 Legal and Constitutional References

5.4.1 Under Article 10, Decision Making, Table B – authorisation and acceptance levels, a Thematic Committee report is required to extend or vary a contract between £181,301 and £500,000.

5.4.2 A compliant procurement has taken place with use of the ESPO Framework 664-17 (Consultancy Services) Lot 2c. A Direct Award from a framework is compliant with the Contract Procedure Rules. It is considered necessary and appropriate as:

- Grant Thornton have the requisite expertise;
- Grant Thornton are the Council's previous auditors and have undertaken the review work and so can get up to speed more quickly, reducing the time taken to perform the work; and
- using existing suppliers could result in a conflict of interest.

5.4.3 A compliant procurement has taken place with use of the Local Government Resourcing Partnership (LGRP) Framework Lot 1 for Interims to support the Competitive or Direct Award of contracts in a compliant manner.

5.5 Risk Management

5.5.1 The extension and variation of the two contracts reference in this report are necessary to support the management of financial risk.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination. All organisations that submit tenders for Council business are required to submit their Policy Statement regarding how they manage compliance with the Equality Act, or equivalent legislation.

5.7 Corporate Parenting

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision making across the Council. There are no direct implications of this report on the Council's Corporate Parenting Responsibilities.

5.8 **Consultation and Engagement**

5.8.1 Consultation and engagement is undertaken as part of the commissioning cycle and will be undertaken on any new procurements as relevant to ensure that services being commissioned meet the needs of users and residents.

5.9 **Insight**

5.9.1 Data analysis and insight also forms part of the commissioning cycle and will be drawn on as needed in management on contracts and the procurement of any new services.

6. **BACKGROUND PAPERS**

6.1 None