

PROCUREMENT SUB (FINANCE) COMMITTEE

Wednesday, 9 September 2020

Minutes of the meeting of the Procurement Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Deputy Robert Merrett (Deputy Chairman)	Deputy Jamie Ingham Clark
Randall Anderson	Alderman Gregory Jones QC
Deputy Roger Chadwick	Jeremy Mayhew
Michael Hudson	Susan Pearson

Officers:

Chris Bell	Chamberlain's Department
Natalie Evans	Chamberlain's Department
Lisa Moore	Chamberlain's Department
Nicholas Richmond-Smith	Chamberlain's Department
James Rooke	City Surveyor's Department
Kate Smith	Town Clerk's Department
Simi Shah	Town Clerk's Department
Michael Harrington	Chamberlain's Department
Ola Obadara	City Surveyor's Department
Adrian Kelly	Community & Children's Services Department
Sharon Lokko	Chamberlain's Department
Antoinette Duhaney	Town Clerk's Department

1. APOLOGIES

Apologies were received from Deputy Hugh Morris.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes of the meeting held on 6th July 2020 be agreed as a correct record.

4. PROCUREMENT SUB-COMMITTEE WORK PROGRAMME

The Sub Committee considered a report of the Chamberlain outlining the workplan for future meetings.

RESOLVED – That the report be noted.

5. CITY PROCUREMENT QUARTERLY PROGRESS REPORT

Members considered a report of the Chamberlain providing an update on the work of City Procurement, key performance and areas of progress for Q1 of 2020/21.

Officers advised that despite the COVID-19 challenges, steady progress was being maintained with major projects and some new pan-London projects were imminent.

In response to questions and observations from Members on the long list of high value, high risk procurement projects in flight, Officers stated that resource capacity was a growing risk again, mainly due to the additional unplanned and urgent work to support Covid and covid recovery, but that payments processing was close to the target and waivers had continued its trend in declining. Contractor performance during the COVID-19 pandemic was closely monitored by lead Departments and thus far, there had been no significant issues with key contractors/suppliers failing.

Members requested data to compare CoL performance with peers in future iterations of this report and commended Officers for their efforts in challenging circumstances.

RESOLVED – That the report be noted.

6. RISK MANAGEMENT UPDATE

The Sub Committee considered a report of the Chamberlain providing an overview of the management of risks faced by City Procurement.

In response to comments and questions from Members, Officers advised that

- The main concern was resourcing capacity and budget pressures and although the projected overspend advised at July committee of £187k had been reduced to £100k for item 7, there was still pressure to hold vacant posts to offset this position.
- Officers apologised for not updating the dates in appendices.
- City Accelerate had not generated the expected income levels and Officers were reviewing whether to continue with this offer.
- The recruitment moratorium was impacting on the delivery of certain projects and some projects would be delayed as it was not possible to recruit the right calibre staff.

RESOLVED – That the report be noted.

7. CLIMATE ACTION STRATEGY

Members considered a report of the Town Clerk outlining a proposed Climate Action Strategy for CoL.

Officers advised that the main objectives of the Strategy were

- to support the achievement of net zero emissions,
- to build resilience
- to champion sustainable growth.

Members commended Officers producing a strategy which was impactful, deliverable and affordable.

In response to comments and questions from Members, Officers stated that a Team of Officers had produced the strategy and all the aspirations were achievable without impacting on services and projects and there would be no retrospective application of the policy. There had been extensive engagement with a range of stakeholders and further engagement would commence after the Strategy was presented to the Court of Common Council on 8th October 2020.

Officers were seeking feedback from Members prior to the Strategy being considered by Policy & Resources Committee on 24th October and key considerations for the Procurement Sub Committee were set out on page 52 of the agenda pack. Responsible Procurement practices had been in place for five years and this would be ramped up through new thresholds and stretch targets cascaded through Category Boards.

Members reiterated their thanks to Officers for producing a comprehensive strategy which would integrate seamless with procurement processes without compromising resources.

RESOLVED – That the report be noted.

8. REPORT OF ACTION TAKEN

The Committee considered a report of the Town Clerk outlining action taken under Delegated Authority or Urgency Powers in respect of:

- Rough Sleeping Outreach Contract
- Power Purchase Agreement

RESOLVED – That the report be noted.

9. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

- Performance Bonds – Members heard an oral report of the Chamberlain updating Members on the practicalities of using performance bonds. Officers advised that following the request from the Projects Sub Committee, Officers were exploring the scope to include performance bonds as part of contract tendering process as part of the options appraisal to inform decisions on whether a performance bond was appropriate or counter productive on a case by case basis.

In response to observations from Members, Officers stated that this was a balancing act as only larger entities were able to deploy on demand bonds and an element of flexibility was needed so that SMEs were not disadvantaged in the bidding process and avoid unnecessarily onerous financial assessments.

Members requested Officers ensure that the use of Performance Bonds would be part of the standard options appraisal template used for all future projects and that the Projects Sub Committee be advised accordingly.

RESOLVED – That Project Sub Committee be advised that the use of Performance Bonds will be part of the standard options appraisal template used for all future projects.

11. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the items 12 – 18 on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

12. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the non-public minutes of the meeting held on 6th July 2020 be agreed as a correct record.

13. MAJOR WORKS PROJECT MANAGEMENT FRAMEWORKS - STAGE 2 AWARD

The Sub Committee considered a joint report of the Chamberlain and City Surveyor providing an update on progress made to date in tendering for the Project Management framework.

14. CONTRACT VARIATION: SERVICES FOR PAN LONDON SEXUAL HEALTH TRANSFORMATION PROGRAMME

Members considered a joint report of the Chamberlain and the Director of Community & Children's Services seeking approval to vary the Sexual Health Testing E-Service contract.

15. ACTION FRAUD SYSTEM AND NFIB MANAGED SERVICE

The Sub Committee considered a joint report of the Town Clerk, the Commissioner of Police and the Chamberlain updating Members on the

Dispute Resolution process in relation to the Action Fraud System and NFIB managed service.

16. NEXT GENERATION SERVICE, NATIONAL FRAUD AND CYBER CRIME REPORTING & ANALYSIS – PROJECT LAUNCH AND PROCUREMENT FUNDING

Members considered a report of the Police Commissioner regarding the next generation service for fraud and cyber crime reporting and analysis.

17. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There was one urgent question.

18. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was one urgent item of business.

The meeting closed at 3.22 pm

Chairman

**Contact Officer: Antoinette Duhaney, 020 7332 1408,
antoinette.duhaney@cityoflondon.gov.uk**