

Committee(s): Operational Property and Projects Sub Committee Bridge House Estates Board	Dated: 3 July 2023 5 July 2023
Subject: Technical Adjustments to the Procurement Code for Bridge House Estates Procurements	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4, 5, 6,11
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Emma Moore, Chief Operating Officer	For Decision
Report author: Genine Whitehorne, Commercial Director	

Summary

The Procurement Code is the policy which underpins all procurement and purchasing activity across the City Corporation including our institutional departments. Procurement policies are reviewed annually to ensure they are up to date and still operationally viable. Following a consultation process, the most recent set of revisions to the Procurement Code were approved by Operational Property and Projects Sub-Committee, Finance Committee and Court of Common Council in September, November, and December 2022 respectively. These revisions support the efficiency principles under the Target Operating Model (TOM) specifically to align activity and resources to our corporate outcomes; increase the pace of decision making; and achieve cost savings to resolve budget deficit.

In accordance with Standing Order 51, approval is being sought to make technical adjustments to the Procurement Code in order to provide further clarification to approval processes for Bridge House Estates (BHE) procurements relating to contract lettings, waivers, extensions where contracts terms allow for extensions, and increases in contract value. This is not a request for a policy change and significant changes to the Procurement Code require the approval of the Court of Common Council.

Recommendations

Members are asked to:

- Approve technical adjustments for Bridge House Estate procurements contained in rules 16.2, 25.1, 30.2 and 30.4 of the Procurement Code, relating

to the approval processes for contract lettings, waivers, extensions where contracts terms allow for extensions and increases in contract value, to be effective from 3 July 2023.

Main Report

Background

1. The Procurement Code is the policy which underpins all procurement and purchasing activity across the City Corporation and the institutional departments. Part 1 of the Procurement Code is the framework of overarching rules to be followed by any officer when purchasing goods, services or works and has been developed in line with UK Public Contracts Regulations 2015. Part 2 of the Procurement Code is the guidance document which provides context, processes and further information relevant to compliance with the rules outlined in Part 1.
2. Procurement policies are reviewed regularly to ensure they are up-to-date and still operationally viable.
3. The most recent set of revisions to the Procurement Code were approved by Operational Property and Projects Sub Committee, Finance Committee and Court of Common Council in September, November and December 2022 respectively.
4. Following a further consultation process in May 2023, the proposed technical adjustments for BHE procurements support the efficiency principles under the TOM, specifically to align activity and resources to our corporate outcomes; increase the pace of decision making; and achieve cost savings to resolve budget deficit.
5. The Bridge House Estate Board will formally consider the proposals at its meeting of 5 July 2023.

Current Position

6. Standing Order 51 provides that the Operational Property and Projects Sub Committee is responsible for authorising any technical adjustments to the Procurement Code and only significant changes need approval by Court of Common Council.
7. This is not a request for approval for a policy change. Rather, approval is sought from Members of the Operational Property and Projects Sub-Committee on behalf of Finance Committee to make technical adjustments to rules 16.2, 25.1, 30.2 and 30.4 of the Procurement Code which are summarised in the table below.
8. The proposed technical adjustments to the Procurement Code can be seen in the tracked changes in Appendix 1: Draft Revised Procurement Code Part 1 – July 2023.

Table 1 Summary of changes

Rule	Change	Rationale
16.2 – Contracts Letting Approval Process	Contract letting approval Process table amended to allow BHE Board to approve BHE contracts in place of Operational Property and Projects Sub-Committee and Finance Committee.	<p>With the constitution of the BHE Board (as approved by the Court in March 2021), that Board should discharge all functions of the City of London Corporation as the charity Trustee, except where they have been expressly reserved to the Court of Common Council.</p> <p>Arising from a recent BHE procurement exercise it was noted that updates were required to explicitly give effect to the governance arrangements agreed in respect of BHE, with the Finance Committee on 18 April 2023 endorsing this review in order to enable matters of BHE procurement to be approved directly by the BHE Board.</p>
25.1 - Waivers	Waiver approval process table amended to clarify that Bridge House Estates Board (BHE) should approve non-compliant BHE waivers over £100,000 in place of Operational Property and Projects Sub-Committee.	As above.
Rule 30.2 - Contract Extensions (non-projects where contract terms allow for extension): Approval Process	The approval process for contract extensions where contract terms allow has been amended to allow BHE Board to approve such BHE contract extensions in place of the Operational Property and Projects Sub-Committee and Finance Committee.	As above.

Rule	Change	Rationale
30.4 - Increases in contract value	The approval process for increases in contract value has been amended to allow BHE Board to approve increases in BHE contract values in place of Operational Property and Projects Sub-Committee and Finance Committee.	As above.

9. Corporate & Strategic Implications

Strategic implications

The technical adjustments to the Procurement Code relating to BHE procurements are aligned with the objectives of the Corporate Plan and the Departmental Business Plan.

Financial implications

There are no initial financial implications as the changes are simply to allow the Bridge House Board to apply the Procurement Code instead of Operational Property and Projects Sub-Committee and Finance Committee.

Resource implications

The changes in this document will allow the Commercial Service to focus on providing efficiency in purchasing as per the recommendations of the Target Operating Model.

Pending amendments to the relevant committee approval routes, the Procurement Code will otherwise be observed in matters of BHE Procurement in accordance with its current provisions and BHE officers will work in conjunction with the Commercial Service to progress these matters in the usual way.

Legal implications

None.

Risk implications The technical adjustments pose a minimal risk as Member oversight is being retained in the Procurement Code.

Equalities implications

None.

Climate implications

None.

Security implications

None.

Conclusion

10. The Commercial Service recommend the approval of four technical adjustments to the Procurement Code as outlined in this report and shown in Appendix 1, to be effective from **3 July 2023**.

Appendices

Appendix 1 – Draft Revised Procurement Code Part 1 – July 2023.

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