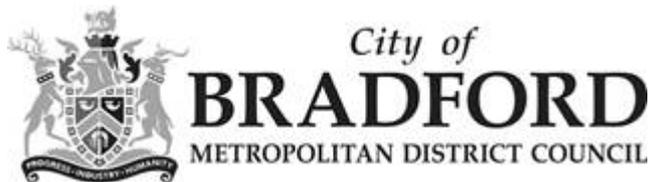


Public Document Pack



Agenda for a meeting of the Regeneration and Environment Overview and Scrutiny Committee to be held on Tuesday, 11 August 2020 at 5.30 pm, remotely.

Members of the Committee – Councillors

CONSERVATIVE	LABOUR	GREEN	THE LIBERAL DEMOCRAT AND INDEPENDENT GROUP
Heseltine Herd	Kamran Hussain, CH Dodds Berry Mohammed Lintern	Love	Ahmed

Alternates:

CONSERVATIVE	LABOUR	GREEN	THE LIBERAL DEMOCRAT AND INDEPENDENT GROUP
Riaz Whiteley	Johnson Choudhry Dunbar Jenkins	Warnes	Stubbs

NON VOTING CO-OPTED MEMBERS

Nicola Hoggart
Julia Pearson

Environment Agency
Bradford Environmental Forum

Notes:

- A webcast of the meeting will be available to view live on the Council's website at <https://bradford.public-i.tv/core/portal/home> and later as a recording
- Any Councillors and members of the public who wish to make a contribution at the meeting are asked to email asad.shah@bradford.gov.uk **10.30 on Friday 7 August 2020** and request to do so. In advance of the meeting those requesting to participate will be advised if their proposed contribution can be facilitated and those participants that can be will be provided with details how to electronically access the meeting. Councillors and members of the public with queries regarding making representations to the meeting please email Asad Shah.
- Approximately 15 minutes before the start time of the meeting the Governance Officer will set up the electronic conference arrangements initially in private and bring into the conference facility the Chair and Members so that any issues can be raised before the start of the meeting. The officers presenting the reports at the meeting will have been advised by the Governance Officer of their participation and will be brought into the electronic meeting at the appropriate time.

From:

Parveen Akhtar
City Solicitor

To:

Agenda Contact: Asad Shah - 01274 432280, asad.shah@bradford.gov.uk

A. PROCEDURAL ITEMS

1. ALTERNATE MEMBERS (Standing Order 34)

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

2. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) Officers must disclose interests in accordance with Council Standing Order 44.*

3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Asad Shah - 01274 432280)

4. REFERRALS TO THE OVERVIEW AND SCRUTINY COMMITTEE

Any referrals that have been made to this Committee up to and including the date of publication of this agenda will be reported at the meeting.

B. OVERVIEW AND SCRUTINY ACTIVITIES

5. ENERGY CONTRACTS PROCUREMENT

1 - 6

The report of the Assistant Director, Estates and Property (**Document “D”**) gives an explanation of the compliant method of procurement that City of Bradford MDC uses to buy energy contracts and a request from the committee that they are content that this method of procurement offers best value to the council.

Recommended –

That councillors note the strategy of procuring energy through the YPO contract and that the performance of the contract should continue to be assessed against the market. A review of this arrangement to be put before this committee whenever new contracts are required or should a periodic review of performance indicate that the arrangement may be able to obtain better value through alternative means.

(Neill Morrison – 01274 434003)

6. USE OF THE CROWN COMMERCIAL SERVICES (CCS) FRAMEWORK: CONSTRUCTION WORKS AND ASSOCIATED SERVICES PROCUREMENT FOR THE TRANSFORMING CITIES PROGRAMME

7 - 12

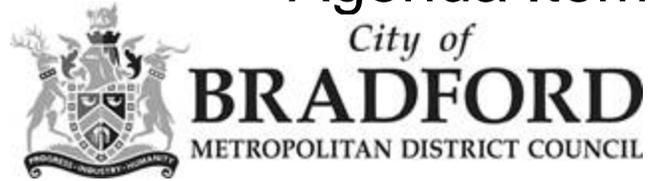
The report of the Strategic Director, Place (**Document “E”**) The purpose of this report is to advise Members of the intention to use the Crown Commercial Services' Construction Works and Associated Services Framework for a procurement in excess of £2m to provide technical support, scheme development and delivery of the Transforming Cities Programme (TCF) in accordance with the requirements of Contract Standing Order 4.7.4.

Recommended –

That the Committee note the contents of this report and the proposed use of the Crown Commercial Services Framework.

(Richard Gelder – 01274 437603)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



**Report of the Assistant Director of Estates and Property
to the meeting of the Regeneration and Environment
Overview and Scrutiny Committee to be held on 11
August 2020**

D

Subject:

Energy Contracts Procurement

Summary statement:

An explanation of the compliant method of procurement that City of Bradford MDC uses to buy energy contracts and a request from the committee that they are content that this method of procurement offers best value to the council.

Ben Middleton
Assistant Director Estates and
Property

Portfolio:
Environment, Sports and Culture
Cllr Sarah Ferriby

Report Contact: Neill Morrison,
Energy Project Manager
Phone: (01274) 434003
E-mail: neill.morrison@bradford.gov.uk

Overview & Scrutiny Area:
Regeneration and Environment

1. SUMMARY

An explanation of the compliant method of procurement that City of Bradford MDC (CBMDC) uses to buy energy contracts and a request from the committee that they are content that this method of procurement offers best value to the council.

2. BACKGROUND

CBMDC is a founder member of the Yorkshire Purchasing Organisation (YPO) and as a customer benefits from the shared profits by the YPO. This share is proportional to the amount of procurement placed through the YPO. The value of the energy contracts CBMDC place through the YPO is considerable since a significant number of schools within the district utilise the CBMDC contract to purchase their energy.

YPO procure the energy contracts on a four year rolling basis, this process is compliant with procurement regulations. Gas and electricity contracts are procured separately and, due to the complexity of the process, on an alternating basis, so that one procurement is done every two years.

Due to the value of CBMDCs energy contracts there is a significant saving in OJEU compliant procurement work that is made by utilising the YPO procurement process. Though it should be noted that this saving could also be made by using another provider such as Crown Commercial Services.

YPO buy energy through the contracts they have procured in a similar way to a commodity traders operating in a futures market. Most of the energy (90%) is procured in advance (typically around six months) taking advantage of market fluctuations to obtain the best prices. The remainder of the energy is procured "in period" this is within a month of the time the energy is needed and allows a measure of "hedging" that is particularly of benefit when energy prices are reducing. This strategy means that there is a larger amount of certainty around budget setting on an annual basis and that the energy prices obtained are better when the commodity price is stable or increasing. Current energy commodity prices are low and stable. Buying more energy "in period" can have benefits, particularly when prices have been inflated and are reducing however it should be noted that this strategy can result in much more price volatility.

Officers from the energy and procurement teams carry out a review of the performance of the YPO contract against other options within the marketplace every two to three years. In 2015 /16 It was found that the electricity contract had performed in line with the market in general and that the gas contract was performing a small amount worse than the market at this time. It was identified that the slightly poorer than market performance was due to the weak gas commodity prices and that over longer timescales the contract had performed well. In 2018 it was found that both electricity and gas prices were performing in line with the wider market. Officers are currently working on another market engagement exercise for gas and electricity prices.

The YPO gas contract was tendered over the last six months and the existing supplier was successful in winning the tender for the 4 years April 2021 to March 2025.

3. OTHER CONSIDERATIONS

As a founder member of the YPO there is an expectation that CBMDC will utilise the services that are provided. The value of the energy contracts is substantial and officers are of the opinion that should a decision be made to procure energy using a different route then there would need to be a discussion at an appropriate level of the council.

4. FINANCIAL & RESOURCE APPRAISAL

The energy contracts placed through YPO are worth over £6 Million per annum for Bradford council. Some schools also buy their energy through the councils YPO contracts and the value of that energy is a further £9.2 Million per annum.

Changing the procurement strategy for energy could incur additional costs and could potentially increase the required staffing resource for this process. The additional staffing could be appointed directly or through the use of consultants. YPO maintain a permanent team managing the procurement of energy and energy suppliers. Any change to the procurement arrangements would require sufficient resource to manage an OJEU compliant procurement on a regular basis. The expected costs to carry out this work would be substantial. Should consultants be used to do the work then this would add a further element of procurement cost.

Moving our energy contracts away from YPO would reduce the dividend from YPO and also reduce the profit sharing payment that we receive from YPO. A full financial assessment would be required to ascertain the scale of the impact.

The YPO contracts for electricity alone are circa £150M per annum. The gas figures are between £50M and £75M. When YPO are buying energy there are savings to be had from this level of buying power.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

There would be no change to governance processes should the recommendation be followed. Making a change to the procurement arrangements will require an appraisal of potential issues. These will include an assessment of the impacts of moving away from the YPO.

There is a risk inherent with any procurement strategy that a different method will obtain better results. The nature of the YPO arrangement means it provides its best performance in the current type of commodity market and that it provides certainty in prices over each year. The performance of the portfolio has been assessed and will continue to be checked to ensure that contract is providing value to the council.

6. LEGAL APPRAISAL

It is the view of our procurement team that given the value of the contracts overview of the arrangements is needed. There are no changes planned but should the committee wish that other options are explored then a legal assessment will be obtained.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Not applicable

7.2 SUSTAINABILITY IMPLICATIONS

Not applicable

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable

7.4 COMMUNITY SAFETY IMPLICATIONS

Not applicable

7.5 HUMAN RIGHTS ACT

Not applicable

7.6 TRADE UNION

Not applicable

7.7 WARD IMPLICATIONS

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

Not applicable

9. OPTIONS

9.1 That the committee considers the content of the report

10. RECOMMENDATION

- 10.1 That councillors note the strategy of procuring energy through the YPO contract and that the performance of the contract should continue to be assessed against the market. A review of this arrangement to be put before this committee whenever new contracts are required or should a periodic review of performance indicate that the arrangement may be able to obtain better value through alternative means.

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

None

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Report of the Strategic Director of Place to the Meeting of Regeneration & Environment Overview & Scrutiny Committee to be held on 11th August 2020

E

Subject:

USE OF THE CROWN COMMERCIAL SERVICES (CCS) FRAMEWORK:
CONSTRUCTION WORKS AND ASSOCIATED SERVICES PROCUREMENT FOR THE
TRANSFORMING CITIES PROGRAMME

Summary Statement:

The purpose of this report is to advise Members of the intention to use the Crown Commercial Services' Construction Works and Associated Services Framework for a procurement in excess of £2m to provide technical support, scheme development and delivery of the Transforming Cities Programme (TCF) in accordance with the requirements of Contract Standing Order 4.7.4.

Steve Hartley
Strategic Director for Place

Portfolio:
Regeneration, Planning and Transport

Report Contact: Richard Gelder
Highway Services Manager
Phone: (01274) 437603
E-mail: Richard.Gelder@bradford.gov.uk

Overview & Scrutiny Area:
Regeneration & Environment

1. SUMMARY

- 1.1 Development, approval and release of staged funding for the delivery of Bradford projects in the Transforming Cities Fund (TCF) Programme is subject to successful completion of the stages within the Combined Authority's Assurance Framework. The Strategic Outline Case, the initial entry point of the assurance process, was successfully assessed by the Combined Authority Project Appraisal Team on 15 July 2020 with a recommendation to the Investment Committee and Combined Authority that all four elements of Bradford's programme proceed to the next decision point (Outline Business Case).
- 1.2 Timely development of the required business cases (Outline, Full and Full plus costs) will be essential to ensure that Bradford's projects progress through the Assurance Framework in order to achieve the overall completion deadline of March 2023 successfully.
- 1.3 A review of internal resources and existing contracted support has determined that it will be necessary to procure additional support resources for the TCF programme. An internal procurement appraisal exercise concluded that due to the programme timescale the most expeditious route to market would be through utilisation of a suitable framework permissible under Contract Standing Order 4.7.4. Assessment of possible suitable frameworks concluded that the most appropriate framework was provided by Crown Commercial Services. Given the potential value of procurement exceeding £2m and in compliance with Contract Standing Orders this report is presented to the committee to advise them of the intention to use this framework.

2. BACKGROUND

- 2.1 The Transforming Cities Fund was announced by the Department for Transport in 2018 with the aim of driving up productivity and spreading prosperity through investment in public and sustainable transport in the largest city regions. The national £1.26bn fund sought to provide investment in walking, cycling and public transport focusing on supporting inter-city connectivity making it quicker and easier for people to get around. An allocation of £317m was awarded to the West Yorkshire Combined Authority on 11 March 2020 for projects which must be delivered by 31 March 2023. Within the West Yorkshire programme Bradford has four potential projects, namely:
 - Bradford City Centre Sustainable Transport;
 - Bradford Interchange Entrance Redevelopment;
 - South Bradford P&R and Express Busway on Manchester Road; and
 - Thornton Road Segregated Cycleway.
- 2.2 Achieving the deadline date of 'opening' of these schemes by March 2023 is exceedingly challenging and belies some of the inherent complexity associated with delivering schemes of this size which must be overcome. The timeline also requires that the 'normal' process of approvals from the Combined Authority must be run in parallel with development of the next stage of the process. Therefore whilst the Combined Authority have reviewed the Strategic Outline Business Case for each of the four schemes via their Project Appraisal Team development of the subsequent Outline Business Case must now begin prior to

formal ratification of the approval by the Combined Authority members in order to achieve the overall completion deadline.

2.3 Delivery of the Transforming Cities Fund projects (including option appraisal, design development, business case management, procurement, governance and management support during the construction phase) using the Council's own resources cannot currently be delivered due to other capital programmes currently in development. The lead-in time and overall programme duration for TCF similarly precludes potential recruitment of additional permanent staff resources.

2.4 A procurement option appraisal exercise was therefore undertaken with Procurement to identify potential solutions to providing technical support to the programme, including:

- The use of existing WYCA Frameworks;
- Altering the scope and value of the existing Highways Strategic Partnership;
- Use of appropriate National frameworks which are open to the public sector; and
- Procuring an additional Highways Strategic Partnership contract.

2.4 The overall need for expediency to have these resources in place limits the procurement options available to use of existing frameworks. The Council's Project & Procurement team have therefore undertaken a detailed examination of potential frameworks which could be used to achieve the necessary outcome within the timescale available.

2.5 There are a wide range of national frameworks available which could potentially be used for this purpose each however have their respective benefits and limitations. On the basis of the evaluation of each framework the most appropriate option identified by the examination exercise is provided by Crown Commercial Services (CCS). CCS offer a range of frameworks which have been prepared by the government for use by the public sector. Of the range of frameworks which are available the Construction Works and Associated Services framework is the most appropriate in terms of the scope of services it provides together with the range of suppliers signed up to it.

2.6 In order to comply with the Council's Contract Standing Orders, it has been determined that although the procurement route utilises a national framework as this has not been developed by Bradford Council specifically it is necessary to advise this committee of the intention to use it.

3. OTHER CONSIDERATIONS

3.1 The Construction Works & Associated Services framework offers the benefit to the Council of negating the requirement to observe some of the EU prescribed procurement timescales based on the potential contract value. This potentially represents a time 'saving' of up to 3 months to the project. The framework also allows for a direct award option to be utilised which could see procurement completed in as little as a week.

- 3.2 Appropriate limitations, performance management arrangements and break clauses can be accommodated within either a mini-competition or direct award arrangement which provides the flexibility for the Council to ensure that appropriate control is maintained on the procured resource throughout the lifetime of the project using the NEC (New Engineering Contract) form of contract.

4. FINANCIAL IMPACT & RESOURCE APPRAISAL

- 4.1 Currently, funding for the projects in this programme is solely provided by the Transforming Cities Fund grant. The Strategic Outline Business Cases which were reviewed by the Combined Authority's Project Appraisal Team (PAT) have indicatively recommended approval of funding of £7.5m for the development of four Outline Business Cases by March 2021.
- 4.2 As has been described previously development of the Outline Business Case (and subsequent business cases) using the Council's existing in-house resources (or strategic delivery partner arrangements) cannot be accomplished due to other capital work programmes requirements. The limited timescales for both implementation and delivery similarly preclude undertaking recruitment for additional permanent staff beyond the current small dedicated team.
- 4.3 Use of the CCS framework allows the Council to adopt a solution which provides robust flexibility in terms of its delivery approach. The framework provides the confidence to the Council that the appropriate resources and skills are available to the programme throughout the next 3 years which can be scaled up or down as projects progress through the Combined Authority Assurance process.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 Responsibility for the governance of this project is the responsibility of the West Yorkshire Combined Authority (WYCA) and is controlled under their Assurance Framework.
- 5.2 A rigorous project management system is in place within the Council and based upon best practice outlined by the OGC (Office of Government Commerce) PRINCE2 (Projects in Controlled Environments) and MSP (Managing Successful Programmes) methodologies. Day to day project management is provided by a dedicated Project Manager who reports to a Council Programme Board.
- 5.2 A risk log has been developed as part of the SOBC and will continue to be updated as the project proceeds through its various stages of development and delivery.

6. LEGAL APPRAISAL

- 6.1 All procurement activity will be carried out in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders. All social value activity shall be carried out in accordance with the requirements set out in the Public Services (Social Value) Act 2012.

7. OTHER IMPLICATIONS

7.1 Equality & Diversity

Due consideration has been given in writing this report to the Council's duties under Section 149 of the Equalities Act 2011. There are no issues at this stage for discussion.

7.2 Sustainability Implications

None arising as a consequence of this report

7.3 Greenhouse Gas Emissions Impacts

None arising as a consequence of this report

7.4 Community Safety Implications

None arising as a consequence of this report

7.5 Human Rights Act

There are no Human Rights Act implications arising as a consequence of this report.

7.6 Trade Union

Currently there are no trade union implications associated with the contents and strategy outlined in this report as TCF is in addition to existing capital works programmes, and are short term in nature.

7.7 Ward Implications

Local Ward members will be engaged in the development of proposals at appropriate stages and representatives of the wider community. A stakeholder management plan has been developed for this project which will be used throughout the development stages to ensure effective engagement and consultation is maintained.

7.8 Area Committee Action Plan Implications (for reports to Area Committees only)

Not applicable.

7.9 Implications For Corporate Parenting

There are no implications for corporate parenting associated with the contents of this report.

7.10 Issues Arising From Privacy Impact Assessment

An Initial Privacy Impact assessment has been undertaken on the proposals relating to the TCF Programme. No issues of any Data Protection or information security were identified.

8. **NOT FOR PUBLICATION DOCUMENTS**

None.

9. **OPTIONS**

9.1 None.

10. **RECOMMENDATIONS**

10.1 That the Committee note the contents of this report and the proposed use of the Crown Commercial Services Framework.

11. **BACKGROUND DOCUMENTS**

Not applicable