

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker | Buildings, Land and Procurement Panel |
| Date: | 11 October 2021 |
| Title: | Strategic Partner Spend Approval |
| Report From: | Director of Culture, Communities and Business Services |

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Purpose of this Report

1. The purpose of this report is to provide an update on Property Services' new private sector partner consultancy arrangements and seek approval to spend under this new arrangement.

Recommendation

2. That the Buildings, Land and Procurement Panel recommends that the Executive Member for Commercial Strategy, Estates and Property approves spend up to a maximum of £80 million over 7 years under the South-East and London lot of the SCF Consult Framework to procure private sector partner resources and professional services to support the delivery of property and construction related projects and programmes of work on behalf of the County Council and its external client partners.

Executive Summary

3. Property Services uses private sector consultant resource to supplement its in-house capacity and capability in a flexible way to respond to workload demand from the County Council and external client partners.
4. Property Services' current strategic partner arrangements come to an end in May 2022, and it is now proposed to transition the procurement of private sector consultant resource and services to the new SCF Consult Framework for the South-East and London. This is Lot 2 of a Professional Services Framework established by HCC Property Services in partnership with Devon County Council and Manchester City Council in May 2020. The SCF Consult

Framework is fully compliant with the Public Procurement Regulations and offers a full breadth of property related professional services. The Framework arrangement includes provisions that address performance, equality and climate change.

5. Private sector resource and professional services for Hampshire County Council and its external client partners will be procured via a call-off contract arrangement under the framework, which provides an efficient procurement mechanism while also allowing flexibility to respond to workload demand and specific requirements.
6. The anticipated spend under this arrangement is up to £80 million over the maximum 7-year duration of the arrangement. Actual spend will depend on workload demand and will be managed within approved funding allocations for projects and programmes of work and normal budget and financial management procedures.

Contextual Information

7. Property Services uses private sector consultant resource to supplement directly employed resources to ensure that there is both sufficient capacity and the necessary skills and expertise to deliver programmes of work on behalf of the County Council and its external client partners. With Property Services primarily funded through professional fee income generated from the programmes of work delivered on behalf of the County Council and external client partners, the use of private sector resource ensures that Property Services can flex its capacity to respond to demand within relatively short timescales and agreed financial parameters.
8. Since 2014, the majority of private sector resources have been procured through two Strategic Partner arrangements; one for multi-disciplinary design services and the other for project, programme and cost management services. A third strategic partner arrangement provided professional services in relation to highways and transportation. These longer-term strategic relationships with our private sector partners have proved to be effective in maintaining quality of service and outcomes at the same time as minimising the financial risk associated with a variable workload. However, the Strategic Partner contracts come to an end in April 2022 and therefore need to be replaced with a new arrangement.
9. In line with the proposals reported to the Panel on 8 October 2019, HCC Property Services, in partnership with Devon County Council and Manchester City Council, has procured a new Professional Services Framework covering the North-West, West Midlands, Wales, the South-West, South-East and London. The framework was launched in May 2020 and is in three “Lots”, each managed by one of the partners. Hampshire County Council operates

and manages Lot 2 for the South-East and London and Mace is appointed as the single supplier for this lot. Public sector bodies can procure services from the framework through individual NEC4 Professional Services call-off contracts within which the specific scope and duration of services can be defined according to requirements.

10. SCF Consult is a fully compliant framework that enables public bodies to gain access to professional property asset consultancy services and resources to deliver capital projects, programmes and strategic advice. SCF Consult is intended to complement the existing construction frameworks operated by the framework partners and used by Hampshire County Council for delivery of its larger and medium sized projects.

Proposed Arrangement

11. As previously advised to the Panel, it is now proposed to transition the procurement of Property Services' private sector partner resources to the SCF Consult Framework. The benefits of this arrangement include:
 - an efficient procurement vehicle capable of supporting a large volume of projects and programmes of work for Hampshire County Council and its current and prospective partners.
 - the ability to access a wide variety of professional services to complement existing in-house resource and to provide assistance in very specialist areas where in house expertise is not currently available, in a manner which can flex to meet current needs and potential future demands.
 - bringing private sector expertise into the relevant business areas to inform best practice and support the development of strategies to address emerging priorities and challenges.
12. Resources and professional services for Hampshire County Council will be delivered via an umbrella call-off contract through which resources and services can be secured on a flexible basis to meet requirements. If appropriate, separate call of contracts can be established for specific projects and programmes of work.
13. The umbrella call off contract is for an initial term of 4 years with the option to extend for up to a further 3 years, giving a maximum total duration of 7 years. This contract duration aligns with the provisions of the SCF Consult Framework and supports continued robust performance management of the strategic partner alongside flexibility in respect of potential changes in future

requirements for services. Where required, project or programme specific call-off contracts will have a specified duration.

14. A number of initial orders have already been placed under the arrangement within existing project and programme spend approvals. Approval is now being sought for the maximum anticipated spend over the duration of the arrangement.

Finance

15. It is anticipated that the total HCC spend under the SCF Consult Framework will be in the range of £45 million to £55 million over the maximum 7 year duration of the arrangement. However, approval is being sought for an upper spend threshold of £80 million.
16. The assessment of anticipated spend takes account of Property Services' historic spend on private sector consultant resource and professional services and the forward pipeline across all programmes of work. The upper spend threshold of £80 million provides flexibility to accommodate an increased future workload demand which could arise from a significant new projects or programmes of work for the County Council or our external client partners.
17. Actual spend will be managed within the approved professional fee allocations and allocated budgets for confirmed projects and programmes of work and reported as part of the County Council's normal budget and financial management procedures.

Performance

18. The SCF Consult Framework includes a number of performance indicators and captures feedback from all clients. The Consultants are expected to maintain minimum standards of performance across a range of KPIs and the framework includes provisions for addressing poor performance.
19. Under its own call off contracts, HCC Property Services will work collaboratively with Mace to capture feedback and review performance. Monthly liaison meetings will include a regular 2-way review of performance, drawing on data from defined KPIs and more informal feedback across the breadth of the relationship and scope of service. Extension of the arrangement beyond the initial 4 year term will be subject to satisfactory performance by Mace, informed by this ongoing performance review process.

Consultation and Equalities

20. All consultants who bid for and have been appointed to the SCF Consult framework are required to hold an equality policy that meets the requirements of the Equality Act 2010. This is reinforced by the inclusion of the HCC standard clause on compliance with all equalities legislation into the HCC call-off contract terms and conditions. HCC Property Services will work collaboratively with Mace to ensure that these requirements are met in relation to all personnel involved in the delivery of services.
21. The specification for services under the framework identifies the role of the consultant in supporting the equality and diversity objectives of the client when providing personnel and delivering services under the framework and associated call-off contracts. HCC Property Services will continue to work closely with Mace under the new arrangement to ensure that equality outcomes are understood and met for all projects delivered on behalf of the County Council and our external client partners.
22. Taking account of the provisions in the call-off contract, the Equality Impact Assessment for this strategic partner arrangement has been identified as neutral across all protected characteristics. However, it is envisaged that positive outcomes will be achieved through the delivery of programmes and projects of work using this arrangement.

Climate Change Impact Assessment

23. The County Council's tools to assess climate change adaptation and mitigation were found not to be applicable to this decision on the grounds that it relates to the approval of spend for professional services rather than to a specific project or programme of work.
24. The HCC call off contract includes a sustainability clause that addresses the requirement for the consultant to provide and deliver products and services that are environmentally friendly, re-usable and recyclable.
25. Mace is already working with HCC Property Services in support of the climate change strategy the County Council's built estate and we will continue to draw on this knowledge and expertise.

Conclusions

26. The SCF Consult Framework provides a compliant and efficient route to procure private sector partner resources and professional services to supplement HCC Property Services in-house resource and expertise.
27. The arrangement ensures ongoing flexibility to respond to variations in workload and evolving programmes of work while continuing to build on the

collaborative relationship that has been established between HCC Property Services and Mace over many years.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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| Hampshire maintains strong and sustainable economic growth and prosperity: | yes |
| People in Hampshire live safe, healthy and independent lives: | yes |
| People in Hampshire enjoy a rich and diverse environment: | yes |
| People in Hampshire enjoy being part of strong, inclusive communities: | yes |

Other Significant Links

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| Links to previous Member decisions: | |
| <u>Title</u> | <u>Date</u> |
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| Direct links to specific legislation or Government Directives | |
| <u>Title</u> | <u>Date</u> |
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| Section 100 D - Local Government Act 1972 - background documents | |
| <p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p> | |
| <u>Document</u> | <u>Location</u> |
| None | |

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

2.1 Taking account of the provisions in the HCC call-off contract from the SCF Consult Framework, the Equality Impact Assessment for this strategic partner arrangement has been identified as neutral across all protected characteristics. However, it is envisaged that positive outcomes will be achieved through the delivery of programmes and projects of work using this arrangement.

CLIMATE CHANGE IMPACT ASSESSMENTS

Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

The County Council's tools to assess climate change adaptation and mitigation were found not to be applicable to this decision on the grounds that it relates to the approval of spend for professional services rather than to a specific project or programme of work.