

<b>Item No.</b> 6.	<b>Classification:</b> Open	<b>Date:</b> 6 June 2018	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Report on retrospective contract-related decision: Keppel Row Environmental Improvements	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Regeneration	

## RECOMMENDATIONS

1. That the audit, governance and standards committee note the retrospective contract decision detailed in the report.
2. That the audit, governance and standards committee note the actions taken by the programme manager as set out in paragraph 11 to ensure that the risk of future retrospective contract decisions is minimised for the future.
3. That the audit, governance and standards committee consider whether it would wish to make recommendations to help improve future decision-making.

## BACKGROUND INFORMATION

4. Where an approval to a contract decision has been sought retrospectively and has an estimated value of more than £100,000, there is a requirement under contract standing order 6.7 to submit a report to the audit, governance and standards committee. The report should set out the circumstances and manner in which the decision was taken, for the purpose of obtaining guidance to inform future decision making.
5. This requirement applies to decisions relating to the approval of a procurement strategy (Gateway 1 or GW1), decisions relating to the approval of a contract award (Gateway 2 or GW2) and decisions relating to the approval of a variation or extension to a contract (Gateway 3 or GW3) decisions.
6. On 16 March 2018 the Director of Regeneration approved a procurement strategy in respect of Keppel Row Environmental Improvements, through a Gateway 1 report to a value of £165,000. The approval of the procurement strategy, albeit not the contract award itself, was a retrospective decision. The chair and vice-chair of the audit, governance and standards committee were made aware of this decision on 22 March 2018.

## KEY ISSUES FOR CONSIDERATION

7. Keppel Row is a small historic alleyway in Bankside SE1 for which funds have been secured from external sources to make environmental improvements, similar to recent works at Price's Street, Sumner Street, Great Suffolk Street and Flat Iron Square. All recent projects have been delivered by the council's term contractor FM Conway.

8. As the project developed it became clear that as the alleyway was not trafficked by motor vehicles, the most efficient route and best quality route to deliver this small scheme would be to engage a specialist landscape contractor rather than the council's term contractor.
9. Late in the project the decision was thus taken to procure a specialist landscape contractor rather than the council's term contractor and thus a Gateway 1 report was prepared retrospectively.
10. All of the correct processes as set out in Contract Standing Orders (CSOs) were carried out to find a contractor using the council's suppliers list EXOR and a Gateway 2 report was completed to set out the evaluation and selection of the contractor.
11. The lessons learned from this are:
  - a) That landscaping projects with planting on parts of the public highway which are not trafficked can be delivered by specialist landscape contractors rather than the term contractor, and that an early decision should be taken in consultation with the highways department about which procurement route to follow.
  - b) That regular updates from the procurement team for any changes to CSOs should be sought before initiating any procurement and that regular briefings will be provided through attendance of procurement advisors at future team meetings (the team has had further training by the procurement team on 13 March 2018 to ensure the latest procurement policies are well understood).
  - c) Following the practical completion of this project, a site visit and briefing will be arranged with the highways department to demonstrate the quality of work produced by a specialist landscape contractor.

### **Summary**

12. Officers in the legal and procurement sections have discussed and agreed the conclusions set out above.

### **Policy implications**

13. There are no policy implications arising from this report.

### **Community impact statement**

14. This report is not considered to contain proposals that would have a significant impact on any particular community or group.

### **Resource implications**

15. There are no direct resource implications in this report

### **Consultation**

16. There has been no consultation on this report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Constitution – Contract Standing Orders March 2017	Constitutional Team, Tooley Street, Second Floor	Constitutional Team 020 7525 7055

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Jon Abbott, Head of Regeneration North	
<b>Report Author</b>	Dan Taylor, Programme manager	
<b>Version</b>	Final	
<b>Dated</b>	10 May 2018	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Corporate Contract Review Board	Yes	Yes
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	<b>No</b>	<b>No</b>
<b>Date final report sent to Constitutional Team</b>	10 May 2018	