

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

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Councillor Chris Weaver, Cabinet Member
Finance, Modernisation and Performance,
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Chris,

Policy Review & Performance Scrutiny Committee: 9 June 2021.

Further to your attendance at the Policy Review and Performance Scrutiny Committee in support of the re-procurement of the Collaborative South East Wales Civils and Highways Construction Framework, on behalf of the Members thank you for engaging with scrutiny. I have been asked to pass on Members' comments and observations as follows.

Accessibility of the report to Cabinet

The Committee wishes to highlight that this report to Cabinet is not clearly understandable and relevant to the audience for which it is written. We consider the use of jargon makes it complex for councillors, both in scrutinising proposals and making decisions. Members requested more context setting information and heard that Cardiff has hosted the framework, which is open to all authorities in the Capital region, since 2017 and is now to be re-procured. We felt it was unclear who pays the levy and what the relationship is between the framework levy and the social value levy pot.

We heard officers explain that the 4 year framework appoints, for example, 6 contractors who have passed all pre-qualification requirements, known as pre-approved contractors or pre-qualified suppliers. This is a 4 year arrangement that local authorities can use to avoid carrying out individual procurements on projects up to a value of £10m. The benefit is that it avoids a 4 month OJEU process, the shorter timelines leading to lower procurement costs and enables early market engagement. When a contract is announced a mini competition takes place between the 6 appointed contractors for the work. Essentially a collaborative procurement agenda promotes really useful best practice and consistent behaviours.

Social Value Levy

Members requested clarification of how projects are evaluated to benefit from the Social Value Levy pot. We heard that the pot applies to smaller contractors, those delivering contracts of £2m or less, who would otherwise find it difficult to meet the council's social responsibility requirements. The SEWH Governance Board agrees how spend will be spread around the region, ensuring that monies generated in Cardiff are spent across the region on local community interventions, such as targeted support for training in construction and building skills.

Framework Levy

The Committee was keen to establish that the Framework Levy applicable to contracts covers the cost of its administration. We note your reassurance that it does, that the SEWH Board approves staff costs and the 0.75% levy applied to all projects has been the same for last 8 years and is very competitive compared with other frameworks in existence.

Contract management and quality control

We consider that day to day quality control of work delivered by contractors is critical. We note that approved framework contractors must meet agreed KPI's on time, cost and quality, the power of peer group pressure and that officers are trained to ensure the successful management of contracts. We also note that a contractor can be suspended from the framework if they deliver 3 or more poor contracts, and will be suspended if they fail to bid for new contracts.

The Committee is therefore supportive of the proposal and there are no formal recommendations that follow this scrutiny. We would however like the comments in this letter, particularly those related to presentation of the Cabinet report, to be taken into account by the authors.

Yours sincerely,



COUNCILLOR DAVID WALKER

CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Members of the Policy Review & Performance Scrutiny Committee
Leaders of Opposition Parties
Chris Lee, Corporate Director Resources
Steve Robinson, Operational Manager
Chris McClellan
Joanne Watkins, Cabinet Support Office
Debi Said, PA to Leader