

Report to: **Cabinet**



Date of Meeting 3 February 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## **Proposed Independent Review of Council Management Structure**

### **Report summary:**

At the December 2020 Cabinet meeting the Leader announced that he wished to initiate an independent review of the Council Management Structure and the Chief Executive was instructed to prepare a report. Accordingly this report sets out the procurement considerations for Cabinet and Council to consider.

### **Recommendation:**

1. The contents of this report are noted and endorsed
2. That a request is made to Council for a budget of circa £25k to be allocated to this project
3. That a politically balanced member working group be established to oversee and input into this project. That is it also be noted that the working group will include representatives from the Devon Procurement Service, DCC HR Services and Unison.
4. That the CEO take all necessary steps to progress this project in consultation with the working group

### **Reason for recommendation:**

To take forward the Leader's request

Officer: Mark R. Williams CEO

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Portfolio(s) (check which apply):

- Climate Action
- Coast, Country and Environment
- Corporate Services and COVID-19 Response and Recovery
- Democracy and Transparency
- Economy and Assets
- Finance
- Policy Co-ordination and Regional Engagement
- Strategic Planning
- Sustainable Homes and Communities

## **Financial implications:**

The direct financial implications are outlined in the report with a budget request of £25k.

The Council has over recent years considered its management structures and establishment in line with its Transformation Strategy under the theme of “Fit for Purpose”. This has achieved savings to meet the deficits identified in the Medium Term Financial Plan and has been reflective of organisation changes in work demand and required expertise. Members need to consider future budget gaps identified in 2022/23 onwards and any review needs to consider affordability in this context.

## **Legal implications:**

As the report highlights, it is necessary to follow a procurement process to ensure our legal obligations are complied with. In addition the Council should ensure that there is appropriate consideration given to human resource matters and therein employment advice is taken to ensure the Council complies with its policies and wider legal obligations. Otherwise there are no other specific legal implications requiring comment

**Equalities impact** Medium Impact

**Climate change** Low Impact

**Risk:** Medium Risk;

## **Links to background information**

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

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## **Report in full**

### **1. Scope of work**

In carrying out this proposal, the Council will need to invite independent advice and scrutiny to ensure EDDC’s Management Team roles, responsibilities and structure are fit for the future. The review will be supported by an independent advisory organisation with expertise in administering District Council Services in line with best practice.

The scope of the work will need to be defined by members. Determining the scope of work is a key part of commissioning independent advisors, as it directly influences the service provider to be selected, the quality of advice, the relevance and clarity of the outcomes and the cost of commission.

Day rates for advisory services are typically in the region of £400 to £1,000 per day, dependent on seniority of role and the fee rates of the particular provider appointed. While advisors typically work to their firm’s set fee scale, consultancy can be competed for by going to market with a defined budget and clear scope.

Competition can be generated by requiring providers to fulfil the scope of work in line with the budget, and by determining the total number of days required to fulfil the client brief. This ensures the Council's requirements are met in line with cost and quality requirements. Providers would bid on the basis of how many days it will take them to meet the client brief, and what tasks they will do to fulfil it. It would also rely upon the availability of resources to engage with the providers once appointed.

The brief will need to involve advice and scrutiny of the Council's management structure to ensure its fitness for the future to deliver its District Council functions. The scope should recognise the legal requirements of 3 statutory posts, consider the current operating circumstances, opportunities and challenges in managing the District Council at the current time and into the future. In particular, best practice (consistent with processes the Council has already established) would require:

- Scope of work to be informed by engagement with a member working group
- Scope of work and objectives to be signed off by Cabinet & Council
- Independent advisors to be procured through competitive process based on agreed criteria, objectives and outcomes to ensure alignment with what the Council is seeking to achieve.

## **2. Procuring independent advisors**

I have discussed this matter with the Council's procurement advisors and they have advised that whilst there are many independent advisors who could carry out this work, it is critical the service provider brings expertise with this type of requirement, provides external scrutiny, objectivity and independence, and brings a thorough appreciation of District Council operations and knowledge of best practice in this environment.

Furthermore, a transparent competitive process would help the Council to:

- i) Ensure the task and deliverables are clearly defined, and objectively measurable with clear outcomes and deliverables, and
- ii) Appoint the best placed provider with the relevant skill, clear proposals and capacity to achieve the brief as per the required timescales and budget. It would also call upon Council resource to support the review.

Devon Procurement Services (DPS) offer two recommended options in the appointment process (it is proposed that the respective benefits of each are assessed by the recommended member working party):

### **Route to market options:**

1. Procure an advisory organisation via a Central Professional Services Framework using a Mini-competition process;

Or:

2. For work between £10,000 up to £100,000, invite at least three organisations to submit written formal quotations submitted by a specified date and time and based on a written specification and evaluation criteria.

### **Option one: Mini competition against a national Framework Agreement**

DPS have identified Framework Agreement 664 managed by ESPO (a Central Buying Organisation for Government Services). ESPO Framework 664 comprises a wide range of pre-qualified independent consultancy service providers very familiar with Local Government best practice. Service providers are prequalified due to their specialism and expertise in a Local Government setting including their track record, experience and technical and professional ability.

ESPO Framework 664 Lot one is for Business Services and comprises 26 pre-qualified providers for Government advisory services, each of whom being skilled in Local Government services. Alternatively ESPO Framework 664 Lot 10 is for Strategic Projects. Lot 1 can be accessed via either Direct Award (lowest Price) or mini competition, whereas Lot 10 can only be accessed via mini competition.

ESPO Framework 664 Lot one is for Business Services and comprises 26 providers for specialist advice regarding:

- Organisational design and policy
- Strategy development
- Business transformation and change management
- Improvement programmes

ESPO Framework 664 Lot ten is for Strategic Projects and comprises 21 providers. This Lot is primarily for organisational review and redesign.

### **Framework pricing**

Day rates have already been competed by ESPO, and range between £150 to £1,500 per day. The factors which most influence the overall cost are the scope of the brief, and the seniority of the individual advisors appointed to the project.

### **Option two: Request for Formal Quotation amongst identified providers**

This option is the 'traditional' process of identifying appropriate market providers, and running a competitive process in line with EDDC Financial Regulations to appoint the appropriate provider. This option may take slightly longer to develop the quotation documents (due to not using a Framework Agreement), but the evaluation may be quicker due to managing down the number of tender returns to a smaller number of providers. There is more opportunity for providers to be based locally, as EDDC can select which providers to invite to bid.

For either option, it is envisaged that the majority of the work would take place remotely / digitally in the current circumstances.

### **Indicative Timetable and key actions:**

#### **1. Define scope of work / specification**

Including objectives, deliverables, performance measures, timescales and budget.

Identify any specific tasks required such as consultation with '*x number of individuals*'

Consider how Officers, Members and other stakeholders can engage.

**2. Agree route to market** (propose either Framework, or Invitation to Tender)

If the former - Sign User Agreement and prepare mini competition;

If the latter – write Invitation to Tender / Request for Quotation.

Identify potential providers to bid, and enquire as to availability.

**3. Undertake competitive process**

Contact providers to ensure capability, availability, skill and strategic fit.

Issue competition documents including scope of work, evaluation, performance criteria;

Manage competitive process

Seek imaginative and creative approaches for the Council to consider, including cost proposals, timeframe and methodology to deliver scope of works. Define deliverables.

Evaluate bids – including interviewing shortlisted bidders.

Ensure satisfaction with expertise of District Council operating environment and best practice;

Take up references and award contract once recommendation approved.

**4. Award and mobilisation**

Confirm contract award details, notices and manage feedback to unsuccessful bidders.

Mobilise contract and set work in motion, including diarise key personnel.

**Indicative Timetable based on Framework mini competition;** Managing own Request for Quotation likely to take slightly longer. However some tasks can normally take place concurrently.

<b>Task:</b>	<b>Timeframe (some tasks are concurrent)</b>
<b>EDDC review and sign User Agreement</b>	<b>1 day</b>
<b>Define scope of work and deliverables</b>	<b>3 days</b>
<b>Formal approval of the brief</b>	<b>2 days</b>
<b>(subject to delegation)</b>	
<b>Contact providers to Express their Interest</b>	<b>4 days</b>
<b>Write Request for Quotation (RfQ):</b>	<b>4 days</b>
<b>Sign off Request for Quotation prior to issue</b>	<b>1 day</b>
<b>RfQ with bidders for completion</b>	<b>15 – 20 days</b>
<b>Download responses &amp; evaluate bids</b>	<b>10 days</b>
<b>Shortlisting</b>	<b>2 days</b>
<b>Arrange presentations and diarise</b>	<b>3 days</b>
<b>Finalise and collate evaluations</b>	<b>1 day</b>
<b>Contract award recommendation report</b>	<b>1 day</b>
<b>Decision and consider award recommendations</b>	<b>2 days</b>
<b>Contract award &amp; mobilise</b>	<b>1 day</b>

**Total:**

**Indicative estimate 40 working days  
(on basis some tasks to be undertaken  
concurrently)**