

**To:** City Executive Board  
**Date:** 24 March 2016  
**Report of:** Executive Director, Community Services  
**Title of Report:** Bid for refurbishment and extension of car park for a public sector body

| <b>Summary and recommendations</b>   |  |
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| <b>Purpose of report:</b>  | To seek approval to enter into a contract for civil engineering works associated with the refurbishment and extension of a car park in Oxford for a public sector body |
| <b>Key decision:</b>   | No   |
| <b>Executive Board Member:</b>   | Councillor Ed Turner, Portfolio for Finance, Asset Management and Public Health  |
| <b>Corporate Priority:</b>   | An Effective and Efficient Council.  |
| <b>Policy Framework:</b>   | Corporate Plan.  |
| <b>Recommendation(s): That the City Executive Board resolves to:</b>   |  |
| <ol style="list-style-type: none"> <li>1. <b>Authorise the entering into a contract for civil engineering work referred to in this report.</b></li> <li>2. <b>To note that the contract will make a satisfactory contribution towards local overheads, as identified in the Not for Publication Annex attached.</b></li> </ol> |  |

| <b>Appendices</b> |   |
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| Appendix 1        | Risk Register                               |
| Appendix 2        | Not for Publication - Confidential Document |

## **Introduction and background**

1. The City Executive Board approved a report in September 2011 which set out a framework for expanding income generation through service supply to public sector bodies and charging for discretionary services.
2. The City Executive Board approved proposals to provide services to public sector bodies and to charge for the provision of discretionary services. Where the value of the works did not exceed £ 100,000 the decision to engage was delegated to officers.

3. This report seeks approval to enter into contractual relations as Principal Contractor to provide certain engineering services, where the potential value of the services to be provided exceed that figure.

### **Proposal**

4. Under the terms of the proposed contract, Direct Services would provide appropriate labour, plant, materials, site supervision and management resource to undertake the civil engineering elements of a car park refurbishment and extension in Oxford.
5. A briefing for members on the commercial opportunities and risks is set out in the separate appendix attached, which is exempt from publication.
6. This report seeks authority to enter into a contract to undertake this work.
7. There are no alternatives to the proposed option other than not to enter into the contract.

### **Financial implications**

8. The price for the work has been calculated to provide a contribution to local overheads as a minimum. The contribution will be monitored by the Council's Trading and Development Board and reported to Members. Supply of these services would make a useful contribution to the income targets currently set in the Council's Medium Term Financial Strategy.

### **Legal issues**

9. In entering into this proposed arrangement, the Council would be relying on the provisions of the Local Authorities (Goods & Services) Act 1970. This contains a wide power that enables local authorities to enter into supply agreements with other local authorities or public bodies. Many Organisations qualify as public bodies under the Goods and Services Act, including Health Organisations, schools, housing associations and community organisations. Under this legislation there is no express requirement on the supplier to ensure that income equals expenditure, and many Authorities have made considerable use of these powers, securing economies of scale and reducing internal costs by providing services to each other. The power can be used for the purposes of:-

- Supplying goods or materials.
- Administrative professional or technical services.
- The use of vehicles plant or apparatus.
- Works of maintenance in connection with land or buildings.

The body procuring the overall works is a public sector body.

### **Level of risk**

10. A Risk Register is attached as Appendix 1.

### **Equalities impact**

11. All relevant Council policies such as the Oxford Living Wage and Apprenticeships will be applied to the delivery of these services and will be costed into the proposal.

### **Conclusion**

12. The delivery of the proposed contract would bring both an income opportunity and some limited amount of risk. The Council's approach is to balance this by seeking to achieve an appropriate contribution to overheads and ensuring that sufficient resources are deployed to mitigate risks.

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