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# Procurement of Investment Portfolio Services

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<b>Committee considering report:</b>	Executive on 18 October 2018
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	4 October 2018
<b>Report Author:</b>	Richard Turner
<b>Forward Plan Ref:</b>	EX3642

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## 1. Purpose of the Report

- 1.1 The Executive resolves to delegate authority to (a) Head of Finance to award the call off contract to Montagu Evans following a mini competition dated 31 August 2018 under the terms of the Crown Commercial Services Framework (ref: RM3816 dated 12 April 2017) and (b) Head of Legal Services to enter into a call off contract.

## 2. Recommendation

- 2.1 Following the conclusion of a further competition process within the Crown Commercial Services framework, it is recommended that the council appoint Montagu Evans as property investment and management advisor.

## 3. Implications

- 3.1 **Financial:** The capital and revenue expenditure associated with the property agents is allowed for within the cost modelling for the commercial property portfolio.
- 3.2 **Policy:** The appointment of advisors forms part of the long term management of the commercial portfolio, in accordance with the Property Investment Strategy.
- 3.3 **Personnel:** There are no human resources implications.
- 3.4 **Legal:** Procurement in accordance with the West Berkshire Council constitution, part 11 Contract Rules of Procedure.
- 3.5 **Risk Management:** The appointment of property agents ensures the support of professional property agents in the acquisition and management of a commercial property portfolio.
- 3.6 **Property:** The Property Services team are responsible for the appointment of, and ongoing performance management of the property agents.
- 3.7 **Other:** None identified

#### 4. Other options considered

- 4.1 To conduct a procurement process for the new fee associated with the additional £50m and retain the existing contract for the existing property portfolio. This is not the preferred option as has the potential for the total portfolio to be split across two providers, with different terms.
- 4.2 To end the current contract and proceed without professional property agent input, conducting all services in house. The model upon which the Property Investment Strategy is based, relies upon significant breadth of skills, market position nationally and the infrastructure to offer multiple services, none of which can be accommodated internally.

## Executive Summary

### 5. Introduction / Background

- 5.1 In accordance with the Contract Rules of Procedure (part 11 of the WBC Constitution) a procurement exercise was undertaken in August 2017 and Montagu Evans were appointed as property agents.
- 5.2 The Councils Legal team advised the Council to carry out a procurement process for the additional £50M investment. Owing to the potential for this to create two parallel contracts it was agreed to cancel the existing HCA contract with ME and undertake a procurement process to cover the additional investment and the management of the entire £100m portfolio (once fully invested).

### 6. Proposals

- 6.1 All 12 providers on the CCS framework were invited to Tender on 10 August 2018. The result of the Tender process, run in adherence with the Framework rules and ending on 31 August 2018, produced only one tender – from Montagu Evans.
- 6.2 The frameworks rule for a single Provider submission allow for appointment to be made so long as the Price submitted is within the range of fees originally provided to the Framework.
- 6.3 The submitted tender was evaluated by a panel including an independent person and Montagu Evans scored 78.8 on Quality. The Price was confirmed to be ‘within the range of fees previously provided by the Supplier on the Framework’.
- 6.4 When comparing the tender submission made by Montagu Evans, with the price of the services provided in the previous contract the costs are either the same or less than previously structured.

### 7. Conclusions

- 7.1 At the end of the Further Competition process, it was concluded that ME were a suitable Provider to support the Councils PIS and it would be appropriate to engage the Provider for the tendered contract period of 5 years using a CCS Framework Contract.
- 7.2 We are seeking, the Executive resolves to delegate authority to (a) Head of Finance to award the call off contract to Montagu Evans following a mini competition dated 31 August 2018 under the terms of the Crown Commercial Services Framework (ref: RM3816 dated 12 April 2017) and (b) Head of Legal Services to enter into a call off contract.

### 8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information

## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Finance and Property
Team:	Property Services
Lead Officer:	Richard Turner
Title of Project/System:	Procurement of Property Management consultants
Date of Assessment:	10 <sup>th</sup> September 2018

## Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	To approve the appointment of the recommended property management consultant.
<b>Summary of relevant legislation:</b>	Section 135 of the Local Government Act 1972 Directive 2014/24/EU on public procurement, replacing Directive 2004/18/EC Public Contracts Regulations 2015
<b>Does the proposed decision conflict with any of the Council's key strategy priorities?</b>	No
<b>Name of assessor:</b>	Richard Turner
<b>Date of assessment:</b>	10 <sup>th</sup> September 2018

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>Yes/No</b>	<b>New or proposed</b>	<b>Yes/No</b>
<b>Strategy</b>	<b>Yes/No</b>	<b>Already exists and is being reviewed</b>	<b>Yes/No</b>
<b>Function</b>	<b>Yes/No</b>	<b>Is changing</b>	<b>Yes/No</b>
<b>Service</b>	<b>Yes/No</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	To appoint consultant commercial property agents
<b>Objectives:</b>	To receive specialist expertise related to the acquisition and management of commercial property.
<b>Outcomes:</b>	The ownership of a commercial property portfolio to derive long term revenue income.
<b>Benefits:</b>	£1m of revenue from 2018/19 rising to £2m of revenue income from 2020/21.

<b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b>		
(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>

Age	None	n/a
Disability	None	n/a
Gender Reassignment	None	n/a
Marriage and Civil Partnership	None	n/a
Pregnancy and Maternity	None	n/a
Race	None	n/a
Religion or Belief	None	n/a
Sex	None	n/a
Sexual Orientation	None	n/a
<b>Further Comments relating to the item:</b>		
<b>3 Result</b>		
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>		<b>Yes/No</b>
<b>Please provide an explanation for your answer:</b>		
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>		<b>Yes/No</b>
<b>Please provide an explanation for your answer:</b>		

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: *Richard Turner*

Date: *10<sup>th</sup> September 2018*

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.