

London Borough of Bromley

Report No.
FSD 18065-1

PART ONE - PUBLIC

Decision Maker: RESOURCES, COMMISSIONING & CONTRACTS
MANAGEMENT PORTFOLIO HOLDER

Date: For Pre-Decision Scrutiny By Executive, Resources & Contracts Policy
Development And Scrutiny Committee Wednesday 5 September 2018

Decision Type: Non-Urgent Executive Non-Key

Title: GATEWAY 1 MEMBERS REPORT. FORMAL CONSULTATION
ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT
STRATEGY - COUNTER FRAUD SERVICES. PART 1 (PUBLIC
INFORMATION)

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Chief Officer: Director of Finance

Ward: (All Wards);

Reason for report

- 1.1 The Council currently has a partnership agreement in place with the Royal Borough of Greenwich for the investigation of fraud, which expires on 31 March 2019.
 - 1.2 A review of the current fraud investigation partnership has been undertaken and various options have been considered as detailed below. Further information is contained in the Part 2 report.
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1. RECOMMENDATIONS

- 2.1 Members of the PDS Committee are requested to note and comment on the report.
- 2.2 That the Portfolio Holder endorse the recommendation outlined in the Part 2 report (FSD 18065-2).

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Estimated Cost: Details included in the Part 2 report
 2. Ongoing costs: Recurring Cost: Details included in the Part 2 report
 3. Budget head/performance centre: Audit and Legal Services
 4. Total current budget for this head: £181,880
 5. Source of funding: Existing revenue budget for 2018/19
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Personnel

1. Number of staff (current and additional): 0
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Statutory Requirement: Local Government Act 1972 and Accounts and Audit Regulations 2015
 2. Call-in:
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Procurement

1. Summary of Procurement Implications: The service proposals and procurement strategy have been developed in accordance with the Council's Financial Regulations and Contract Procedure Rules, the requirements of the of the Public Contract Regulations 2015 Light Touch Regime and the EU Procurement Regulations 12(7).
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable

Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Council has had a partnership agreement with the Royal Borough of Greenwich (RBG) since 2002, for the investigation of fraud. There have been various exemptions and extensions to the partnership agreement, the latest of which expires on the 31 March 2019.
- 3.2 Whilst the service has worked well since its inception and this partnership does not contravene any EU procurement regulations (as set out in Regulation 12(7) of the said rules as it is an agreement between two public authorities aimed at carrying out jointly their public service tasks and is governed only by considerations relating to the public interest), there is a duty to ensure that best value is being obtained.
- 3.3 The alternative options which were considered are detailed in the Part 2 report and are summarised below:
- Option 1 - Build an in-house resource, directly recruiting and managing investigative staff, training managers, commissioning a suitable case management system and contracting with the necessary intelligence providers, such as NAFN (National Anti-Fraud Network), Land Registry etc.
- Option 2 - Enter into a new partnership arrangement with an alternate public sector provider.
- Option 3 - Engage a commercial provider from the private sector via OJEU tender framework.
- Option 4 - Review and renew the existing partnership arrangement with the Royal Borough of Greenwich.
- 3.4 Please see the Part 2 report (Exempt) for details of the procurement strategy and the justification for the contract award.

4. FINANCIAL IMPLICATIONS

- 4.1 Audit currently has a budget of £182k to undertake fraud work.
- 4.2 Further financial considerations are included in the Part 2 report.

5. PERSONNEL IMPLICATIONS

- 5.1 Please see Part 2 (Exempt) report for further details on the personnel implications.

6. LEGAL IMPLICATIONS

- 6.1 Please see Part 2 (Exempt) report for further details on the legal implications.

7. PROCUREMENT IMPLICATIONS

- 7.1. Please see Part 2 (Exempt) report for further details on the procurement implications.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children Policy Considerations
Background Documents: (Access via Contact Officer)	N/A