

**Decision maker:** Scrutiny Management Panel - Call In

**Subject:** Decisions taken by the Cabinet on 10th June 2013 to let a Contract for the Management of the Pyramids

**Date** 5<sup>th</sup> July 2013

**Report by:** City Solicitor

**Wards affected:** St Judes, Eastney and Craneswater

**Key decision:** Yes

**Budget & policy framework decision:** No

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## 1. Purpose of report

To provide a background to the above decision, which was:-

- (1) Members noted the comprehensive procurement process that has been undertaken which was designed to encourage bids against as wide a range of options as possible.
- (2) Members noted that the only market interest expressed through the procurement process is to continue to operate the building on a contract for services basis.

Members considered whether to:

- (i) Let a management contract for the continued operation of the Pyramids to the most advantageous bidder, or
  - (ii) Close, demolish and landscape the Pyramids site pending consideration of alternative uses of the site and resolved to let a management contract.
- (3) Having resolved to let a management contract, Members approved acceptance of Bid B as this represents the most advantageous bid as it represents a saving to the Council over 5 years of £800,000 compared to the approved budget and the bid also received the highest score in terms of quality.

The report which was considered by the Cabinet on the 10<sup>th</sup>

June has been circulated to members of the Scrutiny Management Panel with the agenda.

## **1.1 Call-in and alternative decision making**

- 1.1.1 These decisions were called in in accordance with part 3 of the Constitution of the Council and the reason for the call-in was that it was based upon inadequate information. The summary of reasons for call in is attached as Appendix one.

## **1.2 Background**

- 1.2.1 The Councillors who have requested that these decisions are called in raised the concern that that there was no estimate of the likely cost of repairs over the next five years and the financial impact of having to carry out those repairs and compensate the operator in the event that the facility had to be closed. Such information was, in their view, required before the decision was made.
- 1.2.2 The need for repairs to be carried out was considered by officers in considering the bids. This is evidenced in the report. The report at paragraph 5.6 identifies that a condition survey was carried out and was made available to the bidders. This would have been available to the members of the Cabinet as a background document to the report. The Continued Operation Total Cost, shown in paragraph 11.3, was inclusive of the estimated cost of maintenance over the contract period identified within the condition survey. The report at paragraph 11.7 highlighted the main risks associated with continuing with the procurement which included both maintenance and contractor compensation risk. Due to the uncertainty of the timing of these potential events the costs associated with these risks cannot be quantified with any accuracy at this time..
- 1.2.3 In accordance with the provisions of the Council's call-in procedures officers proceeded to let the contract in accordance with the Cabinet's decision. This is because an act of call-in based upon inadequate information does not prevent the implementation of the decision or decisions which have been called in.

## **2. Recommendations**

- 2.1 The Panel considers the evidence and decides whether or not the decisions made by Cabinet on 10<sup>th</sup> June should be upheld or be referred back to Cabinet with their reasons why.

### **3. Equality Impact Assessment**

- 3.1 An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

### **4. City Solicitor's Comments**

- 4.1 The City Solicitors comments are embodied within this report

### **5. Head of Finance's comments**

- 5.1 There are no financial implications arising directly from the recommendation contained within this report.

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Signed by:

**City Solicitor**

**Appendices: Appendix One attached**

### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Nil	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Chair of the Scrutiny Management Panel

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Signed by: Chair of the Scrutiny Management panel