



CORPORATE & ENVIRONMENTAL OVERVIEW & SCRUTINY

MEMBERS UPDATE 2018/19

Issue: 1

Article of: DIRECTOR OF HOUSING AND INCLUSION

Contact for further information: Ms A Grimes 01695 577177 (Extn. 5409)
(E-mail: alison.grimes@westlancs.gov.uk)

SUBJECT: EXEMPTION FROM CONTRACT PROCEDURE RULES

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

1.1 To advise Members of a recent exemption from contract procedure rules.

2.0 BACKGROUND

2.1 The Council has in place robust rules and procedures, reflecting national and European regulations in relation to the procurement of goods and services.

2.2 There are however certain occasions where, with appropriate reasons, officers can procure goods or services in a different way. The Chief Executive signed an exemption from the Contract Procedure Rules in relation to the existing Business Rates Review Service on 11 April 2018.

3.0 SERVICE PROCURED

3.1 The Council engaged Inform CPI Ltd in March 2017 (following a CPR exemption) to maximise its NNDR income by ensuring that the existing local rating list is accurate and reflects the correct values of existing commercial property in the Borough.

3.2 The supplier provides a service utilising a wide range of internal and external data sources and technologies to identify properties that are missing from the rating list or need to be re-assessed. The supplier provides the Council (through the BTLS Revenues and Benefits Service) with the relevant comprehensive property reports as evidence to enable a reassessment submission to the Valuation Office Agency.

- 3.3 As well as identifying potential additional income for the Council, the exercise also reduces potential fraud and improves the accuracy of the Council's tax base.

4.0 ISSUES

- 4.1 The requirement for this exemption relates to the value of the work for an existing contract for a Business Rates Review service with the supplier, Inform CPI Ltd.
- 4.2 The pricing model of the contract is dependent on results. The increase in Rateable Value included on the rating list is reliant upon the type and number of any changes identified. Because of this arrangement, it was not possible to confirm the value of the contract at its outset, or the value of work in subsequent years. As 2017/18 was the first year of a detailed review for a number of years, based on the first year there may still be a high number of changes to apply.
- 4.3 The initial 12 month contract has resulted in WLBC being invoiced for circa £77K taking the value of the contract to date over the threshold of the original exemption.
- 4.4 The exemption therefore relates to the value of an existing contract with the supplier, *Rule 7: Where the estimated value or amount of a proposed contract exceeds £50,000, and in any other case where an authorised body determine or where required by legislation tenders shall be invited in accordance with either Rule 9, 10, 11 or 12 and shall be the subject of a contract signed by both contracting parties.*
- 4.5 The nature of the initial contract means that we can extend for further periods of 12 months unless one of the parties terminates the contract. This provides flexibility to retain the service as long as it remains favourable for the Council. The exemption outlined above has been required because the initial year of the contract took its value above the original exemption threshold.
- 4.6 This is not an issue that could be taken to Cabinet or another appropriate body of Members to request an exemption because of timescales involved. Given the financial pressures that the Council is facing it is important to continue to maximise revenue and avoid a break in the work.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability impacts associated with this article and, in particular, no significant impact on crime and disorder.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 There will be continued impact on resource within the Revenues and Benefits Service. There are financial implications arising from this article in respect of paying the contract, however these are met through the income generated, similar to a risk/reward model.

7.0 RISK ASSESSMENT

- 7.1 The pricing model of the contract is dependent on results and is therefore low risk for the Council. This item is for information only and makes no recommendations.

It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

This article is for information only and does not have any direct impact on members of the public, employees, elected members and/ or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None