



ARTICLE NO: 3B

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2016/17
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Article of: Borough Transformation Manager and Deputy Director Housing & Inclusion

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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 Contracts 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 However, there are certain occasions where, with appropriate reasons, officers can be approved to procure goods or services in a different way. The Chief Executive recently signed an exemption from the Contracts Procedure Rules in relation to engaging Datatank to carry out a review of Single Person Discounts on behalf of the Council.

3.0 CURRENT POSITION

3.1 The exemption relates to Contracts Procedure Rule 6 "...where the estimated value or amount of a proposed contract will exceed £10,000 but will not exceed £50,000 the appropriate senior officer shall obtain not less than three written quotations...".

3.2 The value of the contract is only indicative at this stage but we are assuming that its value may reach the value of £10,000 and above. If the exercise is successful it is likely that it will be repeated at a later date using the same supplier. This would therefore take the value over the £10K threshold.

- 3.3 Three written quotations were sought, but only two costed options were received. The pricing models of providers mean that direct comparison is difficult and the timescales for the work mean that requesting another quote is not practicable; hence the request for an exemption from Contracts Procedure Rules.
- 3.4 It was not practicable to approach Cabinet to request an exemption to the above Contracts Procedure Rule because the next meeting of Cabinet where papers can be submitted in time is scheduled for 10 January. This is too long a delay in the work commencing as it is important to maximise revenue in 2016/17 in line with the Policy Options agreed by Council in February 2016 and also to help inform the Council tax base setting process in December 2016.

4.0 ISSUES

- 4.1 Quotes were received from the two leading providers in this field. In analysing the quotes and applying our own assumptions, Datatank's quote emerged as the most cost effective. In addition, BTLS were approached about conducting the review in-house but within the required timescales were unable to adequately support the project as well as maintaining SLAs and other existing priority workstreams. BTLS are happy to fully support a fully-managed service.
- 4.2 Given the loss of revenue that the discount provides, it is good practice to periodically review the applications to ensure that the Council has been notified of any changes in circumstances that would affect the claim, that all applications are genuine, and that any fraudulent claims are identified. A Single Person Discount review was last conducted for West Lancashire claimants in 2014. Only 12% of revenues generated will be retained by West Lancs BC. It is important however to remember that part of the exercise is to maintain accurate records and reduce fraud.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 There are no significant sustainability impacts associated with this article. The work may reduce fraud but this cannot be known at the outset. The article has no significant links with the Sustainable Community Strategy.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 The service is fully managed and should therefore have minimal impact on officer time and resource. The exercise is anticipated to result in a small net income for the Council. There are some financial resource implications arising from this article however these are met from existing resources.

7.0 RISK ASSESSMENT

- 7.1 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 Article.

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.