



ARTICLE NO: 3B

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY**

**MEMBERS UPDATE 2017/18
Issue:**

Article of: Borough Transformation Manager and Deputy Director Housing & Inclusion

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

SUBJECT: EXEMPTION FROM CONTRACT PROCEDURE RULES – BUSINESS RATES REVIEW

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 Inform CPI Ltd to carry out a Business Rates Review exercise 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 timescales and importance for the increase in income meant that requesting a fourth quote was not practicable.
- 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 could be submitted in time was scheduled for June 2017. This was too long a delay in the work commencing given the financial pressures that the Council is facing as it is important to maximise revenue as soon as possible.

4.0 ISSUES

- 4.1 Quotes were sought from three providers and the two costed options received were similar. However, having spoken to both parties the preferred supplier was Inform CPI Ltd. BTLS are comfortable with the engagement of this supplier and happy to support a fully-managed service. The contract will be for an initial 12 month period.
- 4.2 The service provided by Inform CPI Ltd will identify properties that are missing from the rating list or need to be re-assessed. The service then provides the Council with the relevant comprehensive property reports as evidence to enable a reassessment submission to the Valuation Office Agency.
- 4.3 The value of any increase in rateable value included on the rating list is reliant upon the type and number of any changes identified. For the Council to benefit, this increase in liability will then need to be collected. Currently West Lancs BC is able to retain 40% of the additional business rates income that it collects. As a detailed review hasn't been undertaken for many years there may be a high number of changes to apply. The work is good preparation for the Government's commitment to allow local government to retain 100% of business rates raised locally by 2020.

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 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