

Executive – 7 January 2010

EXEMPTIONS TO STANDING ORDERS RELATING TO CONTRACTS AND FINANCIAL INSTRUCTIONS

Report of the Strategic Director (Resources)

Statutory Powers: s.135(3) Local Government Act 1972.

Financial Implications: This report details exemptions to the Standing Orders Relating to Contracts and Financial Instructions, the financial details of which are set out in the Appendices.

Purpose

The purpose of this report is to inform members of the exemption(s) to the Standing Orders Relating to Contracts and Financial Instructions since the previous Executive meeting, in accordance with the procedure approved by the Council: Minute references 70/07 and 49/07 refers.

Link to Council's Priorities – CP6 Improving core service performance in a cost effective way.

RECOMMENDATION

That the Executive RESOLVES to note the exemptions to the Standing Orders Relating to Contracts and Financial Instructions attached at Appendix A and B.

Background

1. The Council and its Executive have power to authorise exemptions from the requirement to adhere to the Standing Orders Relating to Contracts and Financial Instructions approved by the Council in December 2007 (Minute references 70/07 and 49/07).
2. These documents state that in certain circumstances, with approval, an officer may seek an exemption from the need to invite tenders or quotations for the purchase of goods, works, or services without a detailed written report to members.
3. The intention is to make the Exemption process more flexible and less time consuming than that requiring a full report to the Executive in all cases.

Exemptions to Standing Orders Relating to Contracts – Appendix A (Amounts between £30,000 and the relevant EU Limit)

4. Appendix A summarises the applications for exemption to Standing Orders Relating to Contracts approved through the exemption process since the last Executive meeting.

Exemptions to Standing Orders Relating to Contracts – Appendix B (Amounts between £3,000 and £30,000)

5. Appendix B summarises the applications for exemption to Financial Instructions approved through the exemption process since the last Executive meeting.

Risk Assessment

6. The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
<p>The process for providing officers with approval for exemptions to the Standing Orders Relating to Contracts and Financial Instructions, in certain circumstances, provides more flexibility and the ability to react promptly to situations that arise. This less bureaucratic approach, compared with a formal report to members in all cases, saves time for both members and officers. It retains the control elements needed within a procurement process.</p>	<p>There is a risk that controls within the procurement procedures are undermined if the process is inflexible, bureaucratic, and time consuming. If the above situation was allowed to persist, the Council may not achieve best value for money in the purchase of goods, works, and services.</p>	<p>The key benefits of the process are: <i>Greater flexibility:</i> managers are able to react quickly to procure services etc. that may reduce the risk of harm to the public or staff, save time, money, and/or embarrassment. <i>Increased openness:</i> a less bureaucratic approach, in certain circumstances, will encourage managers not to 'take a chance' and ignore procurement rules in high pressure situations.</p>

Conclusion

7. The process for providing officers with approval for exemptions to the Standing Orders Relating to Contracts and Financial Instructions, in certain circumstances, provides more flexibility and the ability to react promptly to situations that arise. It is also a more efficient and less bureaucratic approach than that previously in place.

Allan Goodman
Internal Audit Manager

Executive
 07 January 2010

Mark Seymour
Strategic Director (Resources)

List of Appendices:

Appendix A: Summary of Exemptions to Standing Orders Relating to Contracts

Appendix B: Summary of Exemptions to Financial Instructions

Background Documents:

Signed exemption application pro-formas are available to view upon request from Member Support Services.

**SUMMARY OF EXEMPTIONS TO STANDING ORDERS RELATING TO CONTRACTS
(AMOUNTS BETWEEN £30,000 and the EU LIMIT), APPROVED SINCE THE LAST EXECUTIVE**

Appendix A

Lead Officer	Summary of the Application	Reason for the Exemption	Value and Budget
	None		

**SUMMARY OF EXEMPTIONS TO FINANCIAL INSTRUCTIONS
(AMOUNTS BETWEEN £3,000 and £30,000), APPROVED SINCE THE LAST EXECUTIVE**

Appendix B

Lead Officer	Summary of the Application	Reason for the Exemption	Value and Budget
Head of Property Services	<p>Fees For Marine Surveyors To Inspect Ferry Floats And Tugs</p> <p>Fees for Marine Surveyors to Inspect Ferry Floats and Tugs As part of the report required on the Ferry Service and the associated infrastructure, Scott Wilson have offered to carry out the inspection of the marine assets for £4800.00</p> <p>It is critical that the order is placed without delay as the floats and tugs are currently undergoing refits and we have the opportunity for the surveyors to inspect the assets in dry dock.</p> <p>Scott Wilson have been selected as they carried out previous surveys on the slipway infrastructure and the ferry workshops. We wish to retain the continuity as we will require Scott Wilson to take an overview of the marine surveyors report and the river infrastructure.</p>	<p>Marine surveying is a relatively limited market and we do not possess the in house skills to readily appoint marine surveyors. A full procurement process may also mean that we miss the assets being in dry dock.</p>	<p>Cost: £4800.00. Budget: Capital Programme: Dartmouth Ferry</p>

**SUMMARY OF EXEMPTIONS TO FINANCIAL INSTRUCTIONS
(AMOUNTS BETWEEN £3,000 and £30,000), APPROVED SINCE THE LAST EXECUTIVE**

Appendix B

Lead Officer	Summary of the Application	Reason for the Exemption	Value and Budget
<p>Head of Landscape and Leisure</p>	<p>Kingsbridge Public Space Improvements Last year SHDC undertook a procurement exercise with our project partners, Kingsbridge Town Council, in order to appoint a consultant landscape design company to produce a public space improvement masterplan for Kingsbridge. CABE Space drew up a project brief, and a number of companies submitted proposals to the SHDC/KTC partnership for how they would go about the project within a set budget. After an interview process involving ourselves, CABE Space and Kingsbridge TC, we appointed Mor Design Ltd, from Cornwall. Mor Design completed the initial phase within the set budget (jointly funded by ourselves and KTC). The initial contract was valued at £15,000, with SHDC contributing £10,000 of these costs. The next element (and the subject of this request) consists of work for Kingsbridge Recreation Ground, and Duncombe Park. Preparation of detailed specifications and documents is required to enable the next phase of play space and park infrastructure improvements to go ahead. These will be delivered by companies retained on the Public Space Improvement framework contract. In the absence of this action public space improvement projects would slow down. SHDC would have to start again with appointment of landscape architects, who would not have the same detailed background knowledge of the masterplan prepared by Mor Design, or the community consultation exercise that informed it. The consequences would be a burden on the time resources of SHDC staff, and a delay with the delivery of the Capital Programme.</p>	<p>Mor Design produced the masterplan and so they are in possession of a lot of detailed knowledge that would mean that they could deliver the next phase at good value for money. The net cost of using an alternative landscape architect would be much higher, if account is taken on both fees and the additional officer time to bring them up to speed. We are happy with the performance of Mor Design, we would now like to appoint them to carry out subsequent design consultancy work as part of the implementation of the masterplan.</p>	<p>Cost: £4,650 for Kingsbridge Recreation Ground, and £4,634 for Duncombe Park. This work would be funded from their £1.9 m public space capital budget. The budget for Kingsbridge Recreation Ground is £100,000 (reference no.WE33) and Duncombe Park £30,000 (reference no.WE38).</p>

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