

Cheltenham Borough Council
Cabinet – 26th October 2010
Contract Rules Waiver – Single Advice Contract

Accountable member	Cabinet Member Finance and Community Development, Councillor John Webster
Accountable officer	Head of Service – Stronger Communities, Kathryn Chamberlain
Accountable scrutiny committee	Social and Community
Ward(s) affected	ALL
Key Decision	Yes
Executive summary	<p>Under Rule 3.7 of the Council's Contract Rules, contracts with an aggregate value of over £50,000 must be subjected to a Tender Procedure, with a minimum of three written tenders being sought. However, waivers can be agreed in certain circumstances. Under Rule 9.1 i) of the Contract Rules a Waiver must be agreed by Cabinet for contracts over £50,000.</p> <p>The Single Advice Contract; awarded following a tendering process in 2007, for a three year contract period for provision of advice services to Cheltenham residents; is due to cease in March 2011. If the council was to continue to procure these services based on current arrangements then we would miss the opportunity to explore the business case and potentially participate in a county commissioning process.</p>
Recommendations	<p>For the reasons set out later in this Report, the Cabinet agrees a Waiver under Rule 9.1 i) of the Contracts Rules in respect of the Single Advice Contract for a period of one year until March 2012.</p> <p>To delegate authority to AD Community Services, in consultation with the Member Finance and Community development, to enter into any necessary documentation as approved by the Borough Solicitor and Monitoring Officer</p>
Financial implications	<p>There are no financial implications arising from this report.</p> <p>Contact officer: Sarah Didcote</p> <p>sarah.didcote@cheltenham.gov.uk, 01242 264125</p>

Legal implications	<p>The granting of this Waiver by Cabinet would secure compliance with the Council's Contracts Rules; otherwise a contract of this value would need to be formally tendered. One Legal will be involved in the drafting and completion of the contract documentation if the Waiver is approved.</p> <p>Contact officer: Nicolas Wheatley</p> <p>Nicolas.wheatley@teWKesbury.gov.uk, 01684 272695</p>
Key risks	None identified in the corporate or service risk assessment
Corporate and community plan Implications	<p>This activity contributes to the following outcomes of the Sustainable Community Strategy 2008-2011:</p> <ul style="list-style-type: none"> • Building healthy communities and supporting older people • Building stronger communities and supporting housing choice • Focus on children and young people <p>The activity also contributes to the following outcomes in the Corporate Strategy 2010 to 2015:</p> <ul style="list-style-type: none"> • Strengthening our economy: <ul style="list-style-type: none"> - Work in partnership to facilitate activities that will help people move off benefits and into employment - Work in partnership to reduce child poverty in the borough • Strengthening our communities: <ul style="list-style-type: none"> - Communities feel safe and are safe - People have access to decent and affordable housing - Our residents enjoy a strong sense of community and are involved in resolving local issues • Ensuring we provide value for money services that meets the needs of our customers
Environmental and climate change implications	

1. Background

- 1.1 In 2007 the council undertook a competitive tendering exercise, under Regulation 8 and Category 27 of Part B of Schedule 3 of the Public Contracts Regulations 2006, to award a single contract for the provision of advice services. This process replaced the previous grant funding arrangements to a number of organisations in order to achieve better coordination, reduction in duplication and an economy of scale within the service provision.
- 1.2 The contract was awarded to Cheltenham & Tewkesbury Citizen's Advice Bureau, for a period of three years, and commenced operation on 1st April 2008. Quarterly monitoring arrangements have been in place throughout delivery of the contract which has tested both operational performance and enabled the collation of need and demand patterns. The contract is due to cease on 31st March 2011.
- 1.3 The value of 12 months of the contract on existing arrangements would be £154,931.33 and therefore not take the value over the OJEU limit.
- 1.4 At the time of deciding on procuring Cheltenham's arrangements a multi authority group had been formed to look at a county wide contracting process for legal and advice services. However the timescale for the county wide approach was not coterminous with Cheltenham's procurement process. It was determined that officers retain a watching brief on the county process and consider any proposals when looking at contract renewal for 2011.
- 1.5 The original county wide contracting project, underway at the time of Cheltenham's procurement, proved to be undeliverable in its original scope, with the partnership agreeing to defer the tendering of services at that time. Officers of the authorities would like to further scope the feasibility of a county wide contracting arrangement in light of a number of significant changes to the project's original context.
- 1.6 In light of the pressures and uncertainty regarding the availability of future funding officers of the other authorities in Gloucestershire have tentatively indicated that it may prove timely, once budget positions are better understood, to reconsider what opportunities a partnership commissioning process may deliver as an option; subject to prioritisation and budget setting at each authority. No recommendations or decisions about progressing with a countywide contracting arrangement will be made until the scoping and feasibility work has been undertaken.

2. Reasons for recommendations

- 2.1 The waiver for a one year period would enable officers to participate in the county wide feasibility and test the business case for joining a county wide commissioning activity, in order to maximise the level of outcomes achieved in the first procurement exercise and realising further efficiencies by participating in a county wide service arrangement i.e. achieve better coordination, reduction in duplication and an economy of scale within the service provision

3. Alternative options considered

- 3.1 Retendering of contract on the basis of the current arrangements i.e. for three year period. This would prevent Cheltenham from realising any additional benefits secured through a county wide process.

4. Consultation and feedback

- 4.1 None required for a waiver

5. Performance management –monitoring and review

5.1 Continue with established quarterly monitoring arrangements

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Appendices	1. Risk Assessment
Background information	1. Cabinet Report Single Advice Contract 18 th July 2007

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the waiver was not granted then we would be required to enter a tendering process which would prevent us from achieving the benefits that a county wide commissioning process may bring	Kathryn Chamberlain	1.10.10	2	4	8	Accept	Tender process to maximise value within scope	5.11.10	Kathryn Chamberlain	Divisional
	The other authorities may not be in a position to participate in a county wide commissioning activity	Kathryn Chamberlain	1.10.10	1	3	3	Accept	Incorporate best practice and learning from feasibility project to inform any smaller partnership or local procurement activity	June 2011	Kathryn Chamberlain	Divisional