

**REPORT TO:** Executive Board Sub Committee

**DATE:** 15<sup>th</sup> July 2011

**REPORTING OFFICER:** Strategic Director Children and Enterprise

**SUBJECT:** Waiver of Standing Orders (Procurement 4.1-4.3) for a Single Company Quote

**WARDS:** Appleton

## **1.0 PURPOSE OF THE REPORT**

1.1 To seek agreement to allow the Operational Director, Economy, Enterprise and Property to enter into a contract with without conducting a tender exercise or seeking three written quotations in order to comply with procurement standing order 4.1 and 4.2, which places a requirement on the Council to invite quotations or tender for contracts with a value less than £50,000.

## **2.0 RECOMMENDATION: That**

- 1) Operational Director (Economy, Enterprise and Property) be authorised to award a contract for the review of Halton Borough Council Market with NABMA (National Association of British Market Authorities) Consultancy Services.**
- 2) In light of the exceptional circumstances, namely that the council's requirements can only be delivered by NABMA Consultancy Services, and in accordance with Procurement SO 1.8.2 (e), Standing Orders 4.1 – 4.3 be waived on this occasion.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 Development and Investment Services is part of the Economy, Enterprise and Property department. The division is going through its efficiency review and has reached the stage of completing its 'as is' position. As part of the review process the division is keen to seek external challenge in the relative specialism of the business units. In terms of Major Projects, Business Support and External Funding & Regional Affairs, this is possible with the assistance from nearby local authorities.
- 3.2 The National Association of British Market Authorities (NABMA) is the recognized voice of local authority markets. It has promoted the interests of

its local members for over 80 years. Membership benefits (the council is a member) include professional advice, assistance with scrutiny reviews and a key role in shaping the future of markets. Membership is open to any local or public authority having control of retail, wholesale, livestock markets, public abattoirs and pleasure fairs. As such, NABMA is uniquely placed to undertake a review of the council market operation in that it can bring a wealth of best practice experience within the context of a local authority setting.

- 3.3 Initial discussions took place with NABMA consultancy Services (NCS) to consider the scope of the review and determine the work that NCS could do. A first draft of the brief was shared with the portfolio holder and the chair of the markets working party and comments taken on board as the brief was refined.
- 3.4 Additionally, the draft was shared with the Efficiency Team and Research & Intelligence Team to determine which elements could be done in house to save money. As such, work has already commenced in house regarding simplifying operating procedures and the greater deployment of IT.
- 3.5 A brief has now been finalised and a quotation received. In summary it is a two part piece of work. In part one NCS acts as a critical friend by offering advice and support as to how the council can improve how it operates the markets. In part two NCS considers and makes recommendations on how to improve the viability and vitality of the market including such items as commodity mix and increasing footfall numbers.

#### **4.0 BUSINESS CASE**

##### **4.1 Value for Money and Competition**

Given the background and membership, NABMA does have a unique ability to offer advice and support to the council as part of the efficiency review. Within the quote received the council receives half a day free of charge due to its membership of NABMA. The cost associated with implementing the brief was initially priced by NCS as £8,450 exclusive of expenses plus VAT. However, following negotiations this has been reduced to a final figure of £6,500, plus up to £150 of evidenced expenses, plus VAT.

##### **4.2 Transparency**

Transparency will be ensured by the recently introduced requirements for the Council to publish all of its individual expenditure over £500. The Freedom of Information Act also provides a mechanism for those who may have an interest to scrutinise the procurement methods used. This is in addition to the Council's own internal audit procedures.

##### **4.3 Propriety and Security**

The Council's usual integrity clauses will be built into the appointment document.

#### 4.4 Accountability

Accountability would remain with the Operational Director (Economy, Enterprise and Property) who will be awarding the contract, and can be subject to scrutiny by internal/external audit and appropriate Policy and Performance Board.

#### 4.5 Position of the Contract under the Public Contracts Regulations 2006

The contract is under the current EU procurement threshold.

### **5.0 POLICY IMPLICATIONS**

5.1 The delivery of vibrant markets in Widnes and Runcorn (street market) is an important part of the overall drive to improve the quality and economic vitality of the town centres.

### **6.0 OTHER IMPLICATIONS**

6.1 None identified

### **7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

#### 7.1 Children and Young People in Halton

An important part of the review is looking at the commodity and activity mix at the markets. One option that will be explored is the provision of free exhibition space for local schools to promote the work of young people.

#### 7.2 Employment, Learning and Skills in Halton

One option that will be examined is the possibility of linking the council business start up service to stalls on the markets. There are also potential linkages with the local college to be explored.

#### 7.3 A Healthy Halton

One possible option to be considered is the provision of space for partnership working and promotions that could include food and healthy eating demonstrations.

#### 7.4 A Safer Halton

A vibrant town centre and a safer town centre go hand in hand. The operation of a vibrant market attracting in shoppers and visitors will help to support this.

#### 7.5 Halton's Urban Renewal

Vibrant markets make an important contribution to the local economy. By seeking to improve them and especially by making them more attractive to

visitors, the markets will continue to provide local employment opportunities for local residents.

## **8.0 RISK ANALYSIS**

8.1 The most significant risk is associated with letting the markets continue as they are without challenge. Across the country the footfall of many markets is falling as alternative ways of shopping expand and the learnt behaviour through the generations of shopping at the market declines. Bringing in expert support that will provide real challenge to how we operate our markets is an important step in ensuring Halton markets will not suffer the fate that others have.

## **9.0 EQUALITY AND DIVERSITY ISSUES**

9.1 Ensuring the markets are welcoming and provide for diverse needs of the Halton communities is central to the review. NSC will particularly look at the investment needs associated with making the markets easier to visit and the consideration of commodity types will be undertaken within the context of making the markets more inclusive.

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None