

## COUNCIL

**21 JANUARY 2016**

### **CONTRACT LETTING – EXCEPTIONAL CIRCUMSTANCES**

Portfolio Holder: Councillor Adrian Gulvin, Resources  
Report from: Perry Holmes, Monitoring Officer  
Author: Carl Rogers, Head of Category Management (Place)

#### **Summary**

This report details contracts awarded in accordance with the provisions of the current Contract Procedure Rules 1.8.2, Exemptions to Contract procedure Rules, to deal with the letting of contracts in exceptional circumstances where it is considered to be in the best interests of the Council to do so, provided that the exemption does not breach any EU or UK Directive, Statute or Regulation.

#### **1. Budget and Policy Framework**

- 1.1 The constitution requires that the Monitoring Officer reports to Council the number of contracts recommended by Directors for award and approved by the Monitoring Officer under delegated powers and reliance on the exceptional circumstances permitted by Contract Procedure Rules 1.8.2.
- 1.2 Contract letting under exceptional circumstances is provided for within Medway Council's Contract Procedure Rules. This report is prepared in accordance with paragraph 1.8.2.3 of the Contract Procedure Rules.

#### **2. Background**

- 2.1 In accordance with Sections 1.8.2.1 and 1.8.2.2, individual provisions within the Contract Procedure Rules may be exempted in exceptional circumstances where it is considered to be in the interests of the council to do so, provided that the exemption does not breach any EU or UK Directive, Statute or Regulation.
- 2.2 The Monitoring Officer, further to requests from Medway Directors, has approved the following exemption requests since the matter was last reported to Council on 22 January 2015.

### **3. Exemptions Granted**

3.1 The Exemptions granted during 2015 were as follows:

#### **Exemption 1 – Home Start Medway**

**Value:** £65,000

##### **Project Summary:**

- Delivery of a volunteer based scheme providing a home visiting service to vulnerable parents with a child/ren under five years.

##### **Rationale:**

- Allow the service to redesign the existing contract provision, to best meet the needs of the people in Medway and respond to emerging whole systems strategies and structures.
- Ensure the continuation of a valuable service that is responsive to the needs of children and families while a full review is undertaken.

**Directorate seeking Exemption Request:** Children & Adults

**Date Exemption Approved by the Monitoring Officer:** 14 January 2015

#### **Exemption 2 – MEND**

**Value:** £25,000

##### **Project Summary:**

- Public health provide a range of childhood obesity support services for young people and children and their families. (Mind, Exercise, Nutrition, Do it)
- MEND is a licensed project that the council pays for resources, marketing materials, training for staff, online evaluation tool, 36 programme packs with resource kits (region of 400 families), 5 large kit bags of play and learning materials.

##### **Rationale:**

- Developing an in-house programme would take significant resources to research, design and evaluate which is money that would be better spent delivering and marketing the service.

**Directorate seeking Exemption Request:** Public Health

**Date Exemption Approved by the Monitoring Officer:** 14 January 2015

### **Exemption 3 – Community Equipment**

**Value:** £448,000

#### **Project Summary:**

- Provision of Paediatric, Bespoke and Electrical Equipment and technicians service

#### **Rationale:**

- Enable alignment with the Medway Community Healthcare contract which is due to expire on 31 March 2016. There can then be a single procurement process leading to contract award in early 2016 which is more efficient and more likely to result in the strategic aim of a single contract with a single provider managed by one lead commissioner within Partnership Commissioning.

**Directorate seeking Exemption Request:** Children & Adults

**Date Exemption Approved by the Monitoring Officer:** 28 January 2015

### **Exemption 4 – Care Navigator**

**Value:** £271,048

#### **Project Summary:**

- Analysis has identified patients at high risk of attending A&E including those patients with co-morbidities where further intervention was required.
- The role of care navigator is key in enabling service users to be signposted to and access services which are of value to them. The care navigator is the absolute advocate for the patient.

#### **Rationale:**

- Medway CCG programme lead has explored a number of options in terms of the host for the care navigators. The options considered have not been able to be progressed and therefore the exemption was requested.
- Medway will use the time in the pilot to establish a model suitable for the community and develop a specification with the market to enable the best designed solution to be available.

**Directorate seeking Exemption Request:** Children & Adults

**Date Exemption Approved by the Monitoring Officer:** 25 February 2015

### **Exemption 5 – HRA Estates**

**Value:** £8,100

#### **Project Summary:**

- This is a cleaning and care taking service for estates.

#### **Rationale:**

- TUPE was applicable and due to the timetable, in order for the new supplier to gain admission to the Local Government Pension Scheme, an extension to the current service was required so that the start and admission dates were aligned.

**Directorate seeking Exemption Request:** RCC

**Date Exemption Approved by the Monitoring Officer:** 22 April 2015

### **Exemption 6 – Integra Upgrade**

**Value:** £31,500

#### **Project Summary:**

- Medway Council have used Integra, Financial Management System, since 1998 and it is used to
  - raise purchase orders for goods and services
  - pay invoices, housing benefit, foster carers, care homes etc
  - raise sundry debtor invoices for a variety of services including care packages, rents, etc
  - provide financial management information to the authority as a whole include budget monitoring, reconciliations etc.

#### **Rationale:**

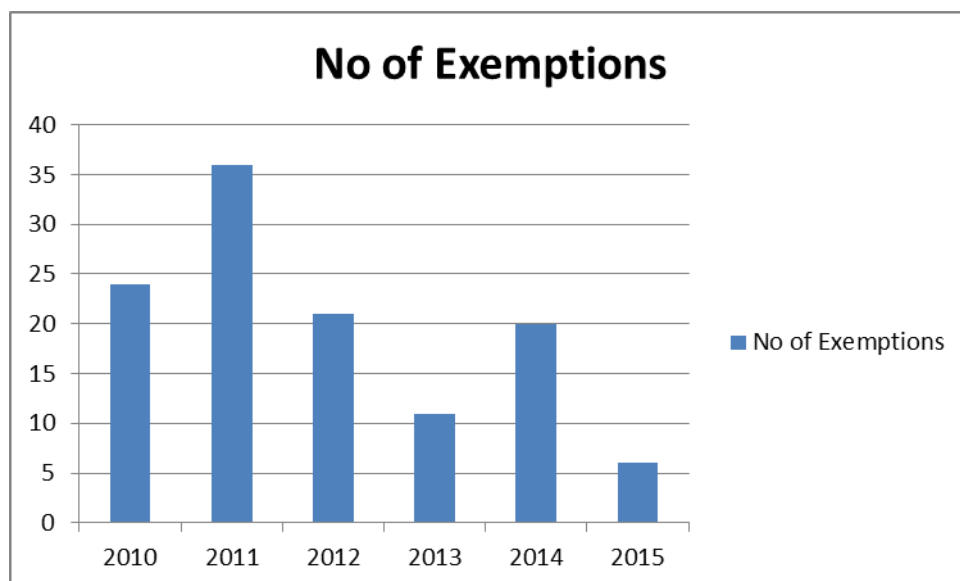
- The contract is for supporting the current financial system by the supplier of the financial system thereby reducing technical issues in the operation and support of this system.

**Directorate seeking Exemption Request:** BSD

**Date Exemption Approved by the Monitoring Officer:** November 2015

## 4. Analysis

- 4.1 A concerted effort has been made over recent years to reduce the number of exemptions to a minimum although it has been accepted that in an authority of this size which for example let contracts last year with a worth in excess of £200,000.00 that some exemptions will be necessary. Members noted in previous years, reductions from the number granted in 2011.
- 4.2 Last year Members noted that although the 2013 decrease had not been maintained, as table 1 below illustrates, the level of exemptions granted are now well below those of 2010 and 2011. The resolve of the Monitoring Officer, supported by the Procurement Board, remains to provide robust regulation of the granting of exemptions whilst ensuring that contracted services continue to be delivered.
- 4.3 Members asked last year for an indication of the level of overall contract spend for successive years to be included in this report for context. The value of contracts tendered in the 2014 year was £137,300,000 and in the 2015 year was £242,800,000 (approximately). There appears therefore to be no natural correlation between the amount of contract spend and the prevalence of exemptions granted.



## 5. Risk Management

The Category Management team review each exemption request and provide quality assurance before recommending approval to the Monitoring Officer. As part of this review, risks are identified and managed and any exemptions, which do not conform to Contract Procedure Rules, are declined. The risks of accepting/rejecting all exemptions are identified and communicated to the Monitoring Officer to make an informed decision.

## **6. Financial and legal implications**

- 6.1 The legal implications are set out in the report. The costs associated with the contracts were met from approved budgets.

## **7. Recommendation**

- 7.1 To note the contents of the report.

### **Lead officer contact**

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### **Appendices**

None

### **Background papers**

None