
REPORT OF
The Strategic Director for Service Reform
TO
Procurement Board
ON
28 August 2019

TITLE: Approval for an Exception to Contractual Standing Orders to award a contract for 'Vital and Viable Places'

RECOMMENDATION:

That the Procurement Board:

- (1) Approve an exception to Contractual Standing Orders in accordance with Paragraph 3.1 as follows:
 - Specialist services/supplies which are available only from one supplier. For example, specialist niche consultants or suppliers where there is a sole supplier of patented or proprietary articles, or materials or services exclusively provided by a statutory undertaker or other bodies.
- (2) Approve the award of the Contract for (insert title of project/scheme/service or purchase of goods) as detailed in the table below:

Detail required	
Title/Description of Contracted Service/Supply/Project	Vital and Viable Places
Name of Successful Contractor	Institute of Place Management (Manchester Metropolitan University)
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Other
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME

Contract Value	£50,000	Full Project
Contract Duration	24 months	
Contract Start Date	02/09/2019	
Contract End Date	02/09/2021	
Optional Extension Period 1	N/A	
Optional Extension Period 2	N/A	
Who will approve each Extension Period?	Strategic Director (extension < £150k)	
Contact Officer (Name & number)	Jacquie Russell, x3557	
Lead Service Group	Service Reform & Development	
Reason for CSO Exception <i>(select all that apply)</i>	<input type="checkbox"/> The need for the goods, services or works is so urgent that the time needed to comply with the rules would be prejudicial to the Council's interests	
	<input checked="" type="checkbox"/> Specialist services/supplies which are available only from one supplier. For example, specialist niche consultants or suppliers where there is a sole supplier of patented or proprietary articles, materials or services exclusively provided by a statutory undertaker or other bodies	
	<input type="checkbox"/> For reasons of compatibility with existing services/products – for example, equipment that needs parts from its own manufacturer	
	<input type="checkbox"/> Where any of the standing orders are inconsistent with any legislative requirements, in which instance the provisions of the appropriate legislation shall prevail	
	<input type="checkbox"/> Where the Council can demonstrate that an integrated or strategic approach to procurement is being implemented and there is a requirement to align services or contracts to co-terminus end dates	
	<input type="checkbox"/> There are value for money reasons justifying a CSO Exception	
	<input type="checkbox"/> School Governors: in relation to the Local Management of Schools (LMS), where schools have adopted their own standing orders	
	<input type="checkbox"/> The shared legal service, in respect of the appointment of counsel	
	<input type="checkbox"/> Strategic Director of CHSC: contracts for the provision of personal care services or facilities pursuant to the National Health Service and Community Care Act 1990	
Funding Source	Choose an item.	

- (3) Note that prior to the end of the period of time covered by the exception as indicated in 2 above, the Strategic Director will determine whether the service is to be decommissioned or, in consultation with the Corporate Procurement Team, will agree to undertake a compliant procurement process to re-let the contract by the end of the exception period.

EXECUTIVE SUMMARY:

The purpose of this report is to request an exception to Contractual Standing Orders to approve the award of a contract for the Vital and Viable Neighbourhoods project.

BACKGROUND DOCUMENTS: N/A

KEY DECISION: No

DETAILS:

1. The main issue for the Procurement Board is agreeing the exception to Contractual Standing Orders and giving approval to award the Contract. The purpose of this report is to establish the case for an exception.
2. This project seeks to establish a programme of work between Salford City Council and the Institute of Place Management (IPM) to develop a robust, evidence-based, and measurable approach to identifying potential place-based interventions that can help to strengthen our district centres. The approach is built on the IPM's prior experience in developing and applying the Vital and Viable Programme in a number of local districts nationally, and in Greater Manchester. The approach includes a strong emphasis on local stakeholder engagement, importantly including local ward councillors.
3. This work is proposed to complement our existing work with partners to strengthen integrated neighbourhood working across the city. This is most embedded in our 0-25 Transformation Programme, and particularly in the development of our Early Help Family Hubs. Health and Social Care are also developing integrated teams to support coordinated delivery of services closer to communities. The development of Primary Care Neighbourhoods will strengthen the approach to bring services together in our neighbourhoods, ensuring residents can receive the best possible support, from the right people, as close to home as possible.
4. The work to develop strong services for people will have greatest positive impact if it is complemented by work to also ensure our district and town centres are 'vital and viable' – ie that we are creating and sustaining strong places, as well as strong people and strong services. The work proposed will help us to develop 'place shaping' action plans that will sit alongside and complement our work to strengthen integrated neighbourhood working, and stronger outcomes for people in our communities.
5. The proposed work will involve:
 - a. Installation of footfall counters in five centres: Eccles, Pendleton, Walkden, Swinton and Irlam & Cadishead. This is supported by the nationally recognised Springboard Research.

Irlam and Cadishead has been included following discussions at the recent Members Policy Forum. The first step will be a discussion with IPM and local members about how best to include the area. If this work is successful, and provides useful learning and actions, it will be possible to explore with IPM extension to include other areas. This would though be the subject of separate discussions about funding.

- b. Primary research in each area, involving: a detailed 'vitality and viability' audit of each district centre, in terms of the existing offer and existing levels of community capacity to undertake place management practices; Workshop(s) with local stakeholders; and an activity based classification of each centre based on the footfall analysis.
 - c. A detailed report for each centre setting out key findings, and offering a range of bespoke interventions based on the evidence collected. Recommendations will be based on achievable, realistic, low-cost activity with a people-focus.
6. This work is separate and distinct to the strategic master planning being considered in Swinton and in Eccles. The work is focussed on identifying those very practical steps that can be taken to strengthen local centres now – and on those actions that are in the control of local stakeholders. Findings might be helpful in shaping thinking and supporting engagement, but they do not in and of themselves tie SCC or others to specific longer term investment or planning decisions in the future.
 7. An exception to Contractual Standing Orders is sought to enable a direct contract with IPM without the need for a competitive process. IPM have developed the Vital and Viable Programme. They have also developed a track record in applying this model in places across the UK, including current work in a number of other GM Districts. IPM also brings with them a strong partnership working with the national Springboard Research programme, long recognised as the national lead in retail footfall analysis.
 8. The programme cost is a one-off and it is envisaged work across the five district centres will take approximately 24 months. The cost per centre is £10,000, including the installation of footfall counters. To support the work and a longer term partnership between SCC and the IPM, SCC has recently joined as a Partner of the IPM. This ensure we can achieve maximum value from our Partnership with the IPM.
 9. This work will support improvements in the management of our district centres. Where this has been done elsewhere improvements have included: greater local spend; sustainability of local businesses; better use of public spaces in district centres; greater and more integrated use of public sector and community buildings in district centres; and in some cases the return of a sustainable district centre economy, including the growth or survival of local businesses. All of these outcomes support the city's social value ambitions, and would be expected as some of the outcomes of this work in Salford.
 10. It is proposed work will be steered and overseen by a small project group between SCC and IPM. This will include the Lead Member for Housing and Neighbourhoods as the lead portfolio holder.

KEY COUNCIL POLICIES:

Integrated Neighbourhoods; town and district centre planning

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: N/A

ASSESSMENT OF RISK: Low

SOURCE OF FUNDING:

Funding will be met from the earmarked reserve to support transformation..

LEGAL IMPLICATIONS: Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the Public Contracts Regulations 2015 (PCR) and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider.

Whilst exceptions to CSO's may be authorised by a decision notice from Procurement Board, as detailed in section 3 of Part 5 of the Constitution there is still a risk of challenge from aggrieved providers if the usual tender process has not been followed. The risk of challenge increases in tandem with the value and proposed length of the extension. In this instance, as noted in the report, the value of the proposed extension is low and for a short period. However the Council is not commissioning a service which may be readily provided by a number of suppliers in the marketplace and the provider appears to be in a unique position to provide the services to the Council to realise the benefits set out in the report.

Whilst the value of the proposed award is below threshold, for information, direct awards of contracts may be made in limited circumstances, set out at regulation 32 of the PCR ("Negotiated procedure without prior publication") such that reg 32 (2)(b)(ii) confirms use of the procedure:

"...where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:—

(ii) competition is absent for technical reasons,
but only....where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;"

Accordingly the risk of any challenge being successful may be regarded as extremely low.

FINANCIAL IMPLICATIONS: Supplied by: Chris Mee – Strategic Finance Manager
Ext 0434

The cost of this contract (£50k) will be met in full from the transformation fund over the planned 2 year contract period.

PROCUREMENT IMPLICATIONS: Supplied by: Emma Heyes, Corporate Procurement Team

There are always risks associated with applying an exception to the Council's Contractual Standing Orders as this could potentially lead to a challenge from an aggrieved supplier if the contract opportunity was not sufficiently advertised in accordance with the Public Contract Regulations 2015. The risk increases in tandem with the value and length of the proposed contract, and would be on the principle that there are possibly other suppliers within the EU member states who could offer similar services.

The Council's Procurement Board has the authority to grant a waiver to Contractual Standing Orders for any contract valued below the OJEU threshold.

After reviewing the content of the report, it would appear that there would be no other organisations able to deliver the Vital and Viable Programme, due to the IPM having already delivered this in a number of local districts nationally, and this would be an extension of that work within Greater Manchester through the partnership between Salford CC and IPM.

Therefore the risk of a procurement challenge can be deemed as low in this instance.

OTHER DIRECTORATES CONSULTED:

Service	Reform,	Place
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CONTACT OFFICER:	Jacquie Russell	TEL. NO. 0161 793 3577
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WARD(S) TO WHICH REPORT RELATE(S):

All
