

## Audit and Governance Committee – 28<sup>th</sup> January 2020



### Exemptions granted under Contract Procedure Rules

Report of the Chief Finance Officer (s151 officer)

Ward(s) affected: All

#### 1. Purpose of Report

- 1.1. To report on the exemptions granted from the Council's Contract Procedure Rules from 15 June 2019 to 1 January 2020.

#### 2. Recommendations

- 2.1. Members are requested to note the exemptions granted.

#### 3. Exemptions Granted

- 3.1 Under the Contract Procedure Rules it is recognised that under certain circumstances there are occasions when it's appropriate not to seek tenders or quotations provided that an alternative method of selection can demonstrate value for money. On other occasions quotations are sought but insufficient responses are received.
- 3.2 Under the contract Procedure Rules there is one current named circumstance under which a responsible officer may seek exemption from the normal procedures.
- 3.3 The responsible officer seeking an exemption must obtain the prior approval of the Solicitor to the Council & Monitoring Officer and the Chief Financial Officer. The exemptions granted must then be reported to Audit & Governance Committee.
- 3.4 In the period June 2019 to January 2020, 4 exemptions have been granted. A summary of the exemptions can be found at Appendix A and Members are recommended to note these.

#### 4. Financial Implications

- 4.1 There are no immediate financial implications associated with this report.

#### 5. Legal Implications

- 5.1 None

#### 6. Contribution to Corporate Priorities

- 6.1 Procurement contributes to Council Priority Financial Sustainability by ensuring all services and products required deliver value for money.

**7. Risk Management**

7.1 There are no risks arising as a direct result of this report.

**8. Consultations with Others – None**

**9. Access to Information: Background Documents – Exemption reports**

**10. Author of the Report**

Rob Atkins, Exchequer and Performance Manager

Tel No: 01756 706493

E-mail : ratkins@cravendc.co.uk

**Summary of Exemptions granted from tendering under CPR 6.2 of Craven District Council's Contract Procedure Rules 15 June 2019 to 1 January 2020**

Number	Date	Date of Approval	Description	Value	Reason for Exemption
1.	01/04/2020 to 31/03/2021	04/09/2019	Revenues & Benefits (IT) System	£99,285	<p>Our Revenues and Benefits system is supplied by Northgate. Other systems are available, however it would be costly, inefficient and time consuming to install them and create new interfaces. Additionally we have other contracts relating to and connecting to the Northgate System which would have to be renegotiated.</p> <p>It was agreed that the technical characteristics of the goods are only compatible with an existing supply or installation, such that procurement of another product other than one available from the original contractor would result in</p> <ul style="list-style-type: none"> <li>• disproportionate technical difficulties</li> <li>• diseconomy</li> <li>• significant disruption to the delivery of Council services.</li> <li>• incompatibility</li> </ul>
2.	01/11/2019 to 30/04/2021	19/09/2019	Rough Sleeper Services	£110,000 (MHCLG Homelessness Prevention)	<p>MHCLG have confirmed a further 18 months of funding to support Rough Sleeper services.</p> <p>Horton Housing is the Council's current provider of services to rough sleepers and those at imminent risk of rough sleeping.</p> <p>Because Horton Housing currently deliver all of the other elements of Craven's housing need programmes for rough sleepers and those at risk of rough sleeping on behalf of the Council, the use of another provider would result in additional referral complexities and demarcation of qualifying criteria, causing additional difficulties in providing cohesive services to this high needs group.</p> <p>An exemption was therefore granted under provision 6.2(a), that only one provider is able to carry out the work or service or to supply goods for technical reasons or artistic reasons or because of exclusive proprietary rights.</p>

3.	Financial Years 2019/20 and 2020/21	23/10/2019	Specialist Tax Advice	£6,500	<p>The council routinely procures the services of a registered tax advisers, via a process compliant with the Contract Procedure Rules (the total value of our regular tax advice is under £5,000).</p> <p>In 2019 and 2020, additional specialist tax advice is required, particularly relating to the Council's Partial VAT exemption and to our tax position in relation to various ongoing housing projects. In order to obtain advice consistent with the general advice we receive, the Council has directly appointed our regular tax advisers (RSM UK) to advise additionally on these specialist issues.</p>
4.	Early 2020 (TBC)	03/12/2019	Audio-Visual Equipment Installation at Skipton Town Hall	£29,400	<p>The refit of the refurbished Skipton Town Hall requires the installation of new specialist audio-visual equipment, alongside the re-installation and configuration of existing equipment.</p> <p>This exemption allows CDC to continue to use the same provider and installer of specialist audio-visual equipment, guaranteeing continuing compatibility with our existing equipment and configuration.</p> <p>It was agreed that the technical characteristics of the goods are only compatible with an existing supply or installation, such that procurement of another product other than one available from the original contractor would result in</p> <ul style="list-style-type: none"> <li>• disproportionate technical difficulties</li> <li>• diseconomy</li> <li>• significant disruption to the delivery of Council services.</li> <li>• incompatibility</li> </ul>

## Audit and Governance Committee – 28<sup>th</sup> January 2020



## Risk Register update – new and amended operational risks

Report of the Chief Finance Officer (s151 officer)

Ward(s) affected: All

### 1. Purpose of Report

1.1. To report on updates to operational risk registers for 2019/20.

### 2. Recommendations

2.1. Members are requested to note new and updated operational risks.

### 3. Background

3.1 The Council's Risk Management Strategy requires the annual update of both operational and strategic Risk Registers.

3.2 The Financial Services Team, together with all other departments, completes an annual update exercise to identify and update any risks to the Council's operations.

3.3 A full review of all operational risks was completed in 2018/19. For 2019/20, Service Managers have been asked to review and update existing risks and to inform the Financial Services team of all new and updated risks identified.

3.4 In total, 9 new risks have been identified and 9 existing risks have been updated.

3.5 All new and existing operational risks will be considered by the Council's Risk Management Group when updating the Strategic Risk Register and Risk Management Strategy. The Risk Management Strategy is reviewed annually. The strategy will next be reviewed at the March 2020 meeting of the Risk Management Group.

3.6 There are currently 74 risks identified in the operational risk register. These are summarised by service area in the table below.

Asset and Commercial Services	5
Bereavement Services	7
Car parks	3
Comms / Customer Service and Partnerships	3
Craven Pool	7
Cultural Services	3
Democratic Services	1
Environmental Services & Housing	1
Environmental Services & Housing (Environmental Health)	4
Environmental Services & Housing (Housing)	3
Environmental Services & Housing (Waste Management)	6
Financial Resilience	7
Financial Services	8
HR	5
Legal Services	3
Planning	3
Revenues & Benefits Services	5

#### **4. Financial Implications**

4.1 There are no immediate financial implications associated with this report.

#### **5. Legal Implications**

5.1 None

#### **6. Contribution to Corporate Priorities**

6.1 Appropriate identification of risk supports all priorities, particularly 'Financial Sustainability'

#### **7. Risk Management**

7.1 There are no additional risks arising as a direct result of this report. This report relates to risk management

#### **8. Consultations with Others – None**

#### **9. Access to Information: Background Documents**

- Summary of new and updated risks on the Operational Risk Register
- Exempt - updated Risk Registers (2019/20)

#### **10. Author of the Report**

Rob Atkins, Exchequer and Performance Manager  
 Tel No: 01756 706493  
 E-mail : ratkins@cravendc.co.uk

## Summary of changes and additions to Craven District Council's Operational Risk Registers, 2019/20

<b>Current Risk / New Risk?</b>	<b>Service</b>	<b>CAUSE: Hazards What are the causes? (IF)</b>	<b>EVENT: Potential Risks and Consequences- What Might Happen? (THEN)</b>	<b>EFFECT: (RESULTING IN)</b>	<b>Risk Likelihood 1-5 where 1 is low</b>	<b>Risk Impact 1-5 where 1 is low</b>	<b>Raw Score as identified in CRAM</b>	<b>Risk Control Measures Currently in place</b>	<b>Risk Likelihood 1-5 where 1 is low</b>	<b>Risk Impact 1-5 where 1 is low</b>	<b>Total Score - Taking account of current control measures</b>
New	Financial Resilience	Investment and returns in JV Co projects are not as planned in agreed business cases	Project costs and resulting borrowing costs will be higher, schemes may not be financially viable	Additional capital expenditure, additional borrowing.	3	3	9	Project management methodology in place to assess and approve various project stages. Key approval gates should be approved before progressing further. External evaluation of BCs and land values	2	3	5
New	Financial Resilience	The council breaches its Partial Exemption VAT threshold	The council would lose its de-minimis exempt VAT threshold, thus not able to reclaim VAT on exempt supplies.	Annual revenue implication is approximately £150k.	3	3	9	Continual evaluation of expenditure to identify PE headroom. Specialist advice has been sought. VAT implications part of capital investment appraisal.	2	2	4
New	Revenues & Benefits Services	Impact of continuing welfare reform is more significant than expected	Increased caseload and ability to pay council revenues may reduce	Increased workload and detrimental impact on collection rates	2	2	4	Proactive management of debt/debt control. Good intervention processes. Sighted on proposed changes to system through professional bodies and regional contacts	1	2	2
New	Asset and Commercial Services	Slips, trips and falls on Council land or buildings	Injury to persons	Injuries to members of the public and damage to vehicles; financial impact due to insurance claims; reputational damage.	3	3	6	1) Inspections undertaken on frequency based on use. 2) Maintenance Services undertake repairs and maintenance of all sites	2	3	6

New	Asset and Commercial Services	Faulty electrical, gas or water appliances in Council buildings	Injury to persons or property	Injuries to members of the public and staff; financial impact due to insurance claims; reputational damage.	3	5	15	1) PAT testing undertaken annually 2) Scheduled fixed wiring tests 3) Annual gas inspections 4) Scheduled Legionella testing 5) Building inspections 6) Planned preventative maintenance and routine maintenance.	2	5	10
New	Asset and Commercial Services	Walls, fences and trees falling on Council land	Damage/injury to vehicles/persons.	Injuries to members of the public and damage to vehicles; financial impact due to insurance claims; reputational damage.	3	3	6	1) Inspections undertaken on frequency based on use picking up any defects. 2) Maintenance Services undertake repairs and maintenance of all sites	2	3	6
New	Asset and Commercial Services	Events on Council land mismanaged	Injury to persons	Injuries to members of the public; financial impact due to insurance claims; reputational damage.	2	3	6	1) Events application form covering all aspects which need to be considered must be completed before approved 2) Events to go through SAG if appropriate 3) Licence issued stating terms and conditions of use	1	3	3
New	Asset and Commercial Services	Identified development land does not realise financial gain agreed	Income targets are missed	Loss of capital receipts or income	2	2	4	Sites are evaluated for options and business case built. In depth surveys are undertaken. Approval needed from Development Board, CLT and Policy Committee. Non-viable sites disposed of	2	1	2

New	Environmental Services & Housing (Housing)	Failure to improve the supply of good local affordable housing. Lack of Home England Grant funding and other financial resources.	Insufficient decent affordable housing to meet housing need.	Increased homelessness.	4	4	16	Sub-regional and Council funding in place for Rural Housing Enabler for 2018/18 and 2019/20. Sub-regional Allocations Policy in place together with a sub-regional Choice Base Lettings scheme (applicants bid for dwellings) where those on the housing register are categorised as Emergency, Gold, Silver and Bronze depending on their need. Ongoing review of CDC assets for potential affordable housing sites. CDC developing affordable housing on its own sites (shared ownership product). Developing a new Empty Home Strategy to deal with long term empties. Strong funding relationship between CDC and Homes England that further enables the development of affordable housing with our partners.	2	4	8
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Updated	Craven Pool	Gym - Lack of customer knowledge and training. Incorrect use of equipment. Failure of equipment. Unknown / undeclared medical history of user.	Injury/illness to customer whilst using fitness equipment or exercising.	Possible claims, investigation by HSE, reputational risk Incorrect use of or failure of fitness equipment.	3	3	9	1) Health declaration and advisory inductions on equipment for all customers by qualified staff. 2) Supervision of room by qualified staff. 3) Regular inspections of equipment. 4) Twice yearly inspections / service contract for equipment newly installed equipment requires card entry. Cards are only issued once training has been completed. 5) Medical Screening Questionnaire + Doctors Notes if History is a worry. 6) Personal programmes offered. 7) Qualified instructors. 8) Increased training standards for all instructors. 9) Qualified for disabled and gp referrals fitness screening. 10) Staff in the gym are to be included within the Lifeguard training to ensure that their competence levels are maintained during their period of qualification. It is likely that this will be compulsory attendance every 3 months. 11) Defibrillator available and staff fully trained.	2	3	6
Updated	Craven Pool	Plant & General areas - Housekeeping & storage. Lack of personal protective equipment. Lack of knowledge. Access to unqualified staff	Failure of pipeline causing chemical spillage or other equipment failure.	Explosion, injury or death.	3	5	15	Procedure notes. Staff trained on procedures. Relevant protective equipment available.	1	5	5

		plant installation. Gas leak causing boiler explosion.									
Updated	Craven Pool	All area - Faulty electrical equipment Water leakage	Injury/death from Electrocution.	Possible claims, financial loss, loss of reputation.	2	5	10	PAT testing undertaken annually Building inspections Planned preventative maintenance and routine maintenance. Visual inspections by staff prior to use. Yearly fixed wiring tests Damaged electrical area - prevents use of damaged equipment	1	5	5
Updated	Craven Pool	General areas - Slips, trips and falls, unsafe diving.	Impact injuries poolside or in changing rooms leading to injury.	Spinal injury possible claims and loss of reputation.	4	4	16	Regular maintenance of design features; Emergency action plan; Good housekeeping; Good cleaning regimes; Appropriate signage; Hourly checks of floor area's for spillages; Cleaning procedure recently reviewed and refresher training given to staff; Restricted diving policy, qualified lifeguards; Control and behaviour measures. All staff trained in spinal cord injury management. Minimise wet floors. Enhanced injury management in place through spinal boards.	2	4	8

Updated	Craven Pool	Customers - Impact incident causing unconsciousness. Unknown medical history. Heart attack. Non swimmer in difficulties. Swimmers accessing pool without lifeguard cover in place.	Death by drowning or secondary drowning.	Death by drowning or secondary drowning.	3	5	15	Procedures and emergency action plans (PSOP) - reviewed every 12 months to ensure current; Restricted diving policy; Qualified lifeguards; Control and behaviour measures; Structured programme which eliminates risk; Monitored compulsory staff training; Pool alarm; Lifeguards always poolside even when pool not in use; Secondary drowning protocol in place (advice); Defibrillator kit in place and NY ambulance service trained staff on use.	1	5	5
Updated	Craven Pool	Activities - Slips, trips and falls; inadequate supervision; non swimmers in difficulty.	Fall from equipment.	Impact injury/drowning poolside.	4	5	20	Additional lifeguards on duty in accordance with procedures for each pool. Risk assessment in place for each activity. Specific written procedures in place. Emergency action plan. Equipment inspected annually. Specific induction for staff on safety measures for each activity. Under 8s must have adult supervision in the pool.	1	5	5
Updated	Craven Pool	Security of building due to secluded location.	Building vulnerable to intruders.	Malicious damage and repeated break ins. Including financial loss.	4	2	8	1) intruder alarm protection (this does not prevent attempts being made) 2) CCTV in place (but picture quality not sufficient to identify intruders) - 2017/18 some improvements to CCTV has taken place with expanded coverage to external doors. 3) All doors installed with reinforcement measures to help prevent entry.	2	2	4

APPENDIX A

Updated	Environmental Services & Housing (Housing)	Inadequately maintained homeless hostel provision. Non self contained accommodation for homeless persons. Hostel building deterioration becoming increasingly unsuitable for homeless provision, leading to increasing costs and accommodation provision not meeting needs of homeless persons.	Homelessness hostel building deteriorates and becomes increasingly unsuitable leading to increasing costs and accommodation provision not meeting needs of homeless persons.	Increase in temporary accommodation costs as the building is not meeting the needs of homeless persons.	3	3	9	The hostel has been totally re-modelled creating 9 self contained units for homeless persons. One unit is a 2BR flat suitable for a family. Adequate funding in budget to provide on-going building maintenance.	2	3	6
Updated	Environmental Services & Housing (Housing)	Insufficient intelligence to inform the drafting of a Housing and Homeless Strategies.	Lack of resources to prepare strategy. Inadequate housing research data in place to inform strategy.	Failure in delivery of the Council's Housing Strategies and Policy. Reputational risks.	3	4	12	Housing staff and resources allocated. Housing Needs Assessment updated to inform strategies, policy and future investment. Stock condition modelling and health impact assessment undertaken informing future private sector housing renewal policy. Craven Homelessness & Rough Sleeping Strategy 2020-2015 in place.	2	2	4