

**CONTRACTS AWARDED AND EXEMPTIONS APPROVED UNDER DELEGATED POWERS:
1 OCTOBER 2015 TO 31 MARCH 2016
RESOURCES DIRECTORATE AND CHIEF EXECUTIVE'S UNIT**

SUMMARY

This document advises members of:

(1) the contracts awarded and the Financial Regulations exemptions granted by or with the delegated authority of chief officers within the Resources Directorate and the Chief Executive's Unit; and

(2) the Financial Regulations exemptions granted by the Exemptions Co-ordinator under delegated powers

for the period from 1 October 2015 to 31 March 2016. Reporting of this information is required by Financial Regulations 16.8.2 and 16.24.13 to allow elected members to scrutinise the activity reported.

Table 1 sets out the contracts awarded by or with the delegated authority of chief officers under delegated powers within the relevant period.

Table 2 sets out the exemption requests approved by or with the delegated authority of chief officers under delegated powers within the relevant period.

Table 3 sets out the exemption requests covering all council departments approved by the Exemptions Co-ordinator under delegated powers within the relevant period.

**TABLE 1
CONTRACTS AWARDED UNDER DELEGATED POWERS**

The following table has 4 columns and 7 rows including the top (header) row.

Contract Name	Successful Bidder & Town	Contract Value	Date Contract Awarded / Published in Q2 and Q3
Tender for Arbroath Harbour Maintenance Dredging 2016	Shearwater Vessel Holdings Ltd, Edinburgh	£82,600	25/11/2015
Award of Guthrie Hill & Smithy Croft, Arbroath - Demolition	Safedem Ltd, Dundee	£172,271	29/12/2015
Award of Cardboard reprocessing (Angus Council)	Lomac Alloys, Irvine	£24,000	16/03/2016
Award of Mini Competition Under Framework Agreement - Warm Angus 2014/15	SERS Energy Solutions (Scotland) Ltd, Midlothian	£478,911	26/01/2016
Award of 43 - 45 Glengate, Kirriemuir - Roof Repairs	Milnbank Ltd, Forfar	£36,696	29/03/2016
Award of Peel Monument, Forfar - Conservation Works	Laing Traditional Masonry, Stirling	£72,447	19/02/2016
Award of Paper reprocessing (Angus Council)	Lomac Alloys, Irvine	£5,000	18/03/2016
Award of Montrose Beach Dune Management Works	Delson Contracts Ltd, Kirriemuir	£23,495	11/03/2016
Award of 6 Rosemount Road, Hillside, Montrose - Accessible Adaptations	Logie Glazing & Building Services Ltd, Dundee	£67,342	09/03/2016
Award of Consultancy	Angus Refugee Care Ltd,	£24,960 to £34,788	17/02/2016

Contract Name	Successful Bidder & Town	Contract Value	Date Contract Awarded / Published in Q2 and Q3
Services to Support Refugees Relocated Within Angus	Arbroath	Contract value to be confirmed	
Award of Large Scale Customer Satisfaction Survey (Housing)	Knowledge Partnership, Edinburgh	£11,025	02/02/2016
Award of Balmuir Retaining Wall: Section 2	Delson Contracts Ltd, Kirriemuir	£30,069	26/01/2016
Award of Eastgate, Friockheim, Affordable Housing Scheme - Re-Issue	Andrew Shepherd Construction, Forfar	£532,863	07/12/2015
Supply of Annual Subscription Renewal of Autocad Software Licences - November 2015	Cadline, Ashford	£16,988	28/10/2015
Framework Agreement To Deliver Design Charrettes in Angus	Pidgin Perfect, Glasgow	£30,035	15/09/2015
	Austin-Smith:Lord Llp, Glasgow	£29,964	15/09/2015
	Carlogie Ltd, Carnoustie	£29,310	15/09/2015
Framework Agreement - Mini-Competition To Deliver Design Charrette in Forfar	Pidgin Perfect, Glasgow	£30,610	15/09/2015
Framework Agreement To Deliver Design Charrettes in Angus (Arbroath and Montrose)	Austin-Smith:Lord Llp, Glasgow	£32,743 and £30,975	15/11/2016
Award of Invitation to quote for the delivery of training services for Kirriemuir Conservation Area Regeneration Scheme	Craig Frew Building Conservation, Kirkcaldy	£10,928	15/09/2015

TABLE 2
FINANCIAL REGULATION EXEMPTIONS GRANTED BY
CHIEF OFFICERS UNDER DELEGATED POWERS

The following table has 5 columns and 7 rows including the top (header) row.

Chief Officer	Contract Name	Awarded Supplier & Town	Contract Value	Date Exemption Granted
Chief Executive Directorate, Economic Development Services	SVQ Assessor/Verified (Towards Employment Team – Youth) Extend appointment of consultant for period 3 months at 4 days per week	Lexi Smart, Forfar	£6,500	21/04/15 (not reported in previous Committee report)
Chief Executive Directorate, Economic Development Services	Employability Management Information System Extension of Contract to cover the period 17/02/16 to 16/02/17.	N Hanlon Software Solutions, Nottingham	£5,916	08/10/15
Chief Executive Directorate, Economic Development Services	PR Campaign German Market/Scandinavian Market	Helma Scheffler PR, Germany	£12,000	08/10/15
Chief Executive Directorate	Staff Development – Leadership and Innovation December 2015 – April 2016 – 11.5 days	Enabling Innovation Partners, Paul Fletcher	£9,775	12/11/15
Chief Executive Directorate, Economic Development Services	Visit Angus destination promotion campaign Laptop computer for use with Oculus Rift headset	Augmentic Visualisations Ltd, Dundee	£2,042	12/11/15
Chief Executive Directorate, Economic Development Services	Carnoustie Country – Development of Social Media Strategy	Jigsaw Media, Broughty Ferry, Dundee	£6,000	16/12/15
Chief Executive Directorate, Economic Development Services	Installation of Webcam at Montrose Basin Visit Centre	NW Systems Group, Wirral	£5,340	11/03/16
Resources Directorate (HR, IT and OD)	Nil			

TABLE 3
FINANCIAL REGULATION EXEMPTIONS GRANTED BY THE EXEMPTIONS
CO-ORDINATOR UNDER DELEGATED POWERS

The following table has 5 columns and 8 rows including the top (header) row.

Directorate - Services	Project / Contract Name	Awarded Supplier & Town	Contract Value	Date Exemption Granted	Comments
People Directorate, Schools and Learning	Cashless Catering in Schools Upgrade	CRB Cunninghams, Midlothian	£80,000	15/09/2015	<p>As the Cashless Catering system is very old an Internal Audit required that the system was upgraded to allow provision of better management information. This requirement along with the expected need to accommodate online school payments in the future has led to the People directorate's decision to upgrade system so it meets these requirements. It is noted that the current provider is also on the Scotland Excel Online School Payments framework.</p> <p>Tayside Contracts leading on the development of individual procurement strategy.</p>
People Directorate, Adult Services	Independent Intermediate Care Service	Cairnie Lodge Care Home, Arbroath	£252,731	30/10/15	<p>This request is approved by the Corporate Procurement Manager for consultation purposes only under FR 16.24.8 and has no effect unless and until approved by Committee.</p> <p>This exemption approval is granted for the period to 31 March 2017</p>

					<p>(projected maximum expenditure of £252,731). Given the risks presented to the Council from ongoing exemptions here (albeit that delays here were caused by external factors) this approval must be noted as final and, if the service is still required beyond the date of this approval, tender activity must be undertaken.</p> <p>The negotiated contract(s) must be entered onto the Council's Contracts Register within 1 month of the contract(s) being entered into with the identified supplier(s).</p>
Chief Executives	Management Information System (MIS) for Economic Development Service and other relevant Council services	Hanlon Software Services Ltd, Nottingham	£60,000	15/01/16	<p>Exemption is granted with the following conditions attached:</p> <p>Creation of a 10 year contract with a break clause entitling the Council to terminate the contract, without penalty, every 2nd year from commencement of the contract.</p> <p>A price review mechanism will be included within the contract terms which means that every 2nd year (from commencement of contract), the contract price will be reviewed, based on the changes, up or down, in the value of the consumer price index (CPI) from the date the price was last reviewed to the last day of February immediately</p>

					<p>preceding the review date. The first price review would look at the CPI as at the commencement date of the contract and CPI as at the last day of February immediately preceding the first review date.</p> <p>The contract will include a sufficiently detailed specification of the Council's requirement including interfacing with other systems to ensure that the solution/contract fits with Angus Council's Digital Strategy/vision. 4. I.T. Service will have input to the Contract including specification of requirement, including interfacing with other systems.</p> <p>Creation of contract from 17/02/17</p>
Communities – Technical and Property Services	Recruitment of Temporary Professional Staff	CDI Anderselite Ltd, Southampton	£55,501	01/12/15	<p>This exemption approval is granted for the period from the end of the current contract (whenever that may have been / be) to 31 March 2016.</p> <p>The negotiated contract(s) must be entered onto the Council's Contracts Register within 1 month of the contract(s) being entered into with the identified supplier(s). The Contracts Register entries will be backdated to commencement of the original contracts.</p> <p>A "lessons learned"</p>

					exercise will be conducted (to be convened by the Corporate Procurement Manager) within 3 months of the date of this exemption and its findings applied to future Council purchasing of recruitment agency services.
Communities – Technical and Property Services	Recruitment of Temporary Professional Staff	Hays Construction and Property, Dundee	£53,399	01/12/15	<p>This exemption approval is granted for the period from the end of the current contract (whenever that may have been / be) to 31 March 2016.</p> <p>The negotiated contract(s) must be entered onto the Council's Contracts Register within 1 month of the contract(s) being entered into with the identified supplier(s). The Contracts Register entries will be backdated to commencement of the original contracts.</p> <p>A "lessons learned" exercise will be conducted (to be convened by the Corporate Procurement Manager) within 3 months of the date of this exemption and its findings applied to future Council purchasing of recruitment agency services.</p>
Communities – Planning and Place	Archaeological Services to Angus	Aberdeenshire Council	£56,000	19/01/16	<p>Exemption is granted with the following conditions attached:</p> <p>Creation of a 3 year contract with the option to extend for one year. The date of commencement of the contract will be</p>

					<p>1st April 2016.</p> <p>The price will be fixed for 3 years and will be subject to review if the contract extension is to be utilised. The basis of review (if used) will be the change in value, up or down, of the consumer price index from the commencement date of the contract to the last day of February immediately preceding the review date, namely 28th February 2019, looking back to 28 February 2018.</p> <p>A written contract will be prepared including a sufficiently detailed specification of requirement and the contract created using Public Contracts Scotland portal</p>
Communities – Technical and Property Services	School Conveyancing Contracts – Extension to Contract covering the period 04/07/16 to 17/03/17.	Various Taxi Operators	£507,935	16/02/16	Exemption is granted, subject to Committee approval. The competitive tendering exercise will be carried out and contracts awarded by August 2017. The Exemption covers the period 4 July 2016 to 17 June 2017.
Resources – Corporate Improvement and Finance	Alternative Cash Payment Service	Capita Software Solutions, Darlington	£150,000	22/02/16	<p>Approved by Council report 122/16, meeting 24/03/16</p> <p>This will be by way of a “test of the water” contract for 2 years only (est. value £150k) to get certainty on transaction volumes and operation of the system. The intent will be to use a review of</p>

					<p>performance of the initial contract to inform a proper competition / ITT at the end of the 2 years period.</p> <p>Nothing must be done with Capita to prejudice that later competition.</p> <p>No further exemption will be granted unless there is an exceptional change of circumstances.</p>
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1. The Accounts of the Council for the financial year 2015/2016 are being closed and will be audited in due course. At this point in each financial year a review is undertaken of the outstanding debt to identify debts that are deemed uncollectable.

The Head of Corporate Improvement and Finance has approved under delegated authority that the values shown in the table below are deemed irrecoverable. In coming to this conclusion he is satisfied that all avenues of recovery have been exhausted.

<u>Category of Debt</u>	<u>Value</u>
Council Tax and Water & Sewerage Charges	£615,430.00
Business Rates	£179,113.83
Housing Benefit Overpayments	£ 50,561.13

Reasons Irrecoverable

Key Reasons	Unable To Trace	Insolvency/Sequestration
Council Tax	£293,544.86	£167,427.94
Business Rates	£18,101.28	£161,125.86

2. Whilst these values are significant they require to be taken in the context of the gross charges levied and the Councils positive collection performance.

It has to be stressed that although these accounts are at this time deemed irrecoverable should circumstances change every effort will be made to pursue any viable sums due. Over 80% of the Council Tax and Business Rates debt deemed irrecoverable can be categorised as sequestration/insolvency or unable to trace.

There were 3 Business Rates accounts with a significant write off value greater than £10,000. These were amounts of £14,430.46, £18,913.67 and £58,557.05 due to Insolvency,

There were no Council Tax write offs greater than £10,000.

3. Financial Implications
 - 3.1 Of the total Council Tax and Water & Sewerage charges of £615,430, £414,914 relates to the Councils general fund (excluding water & sewerage charges).

These sums are within the non collection provision identified in the Councils accounts and therefore are adequately provided for.

3.2 With regard to the Business Rates total of £179,113.83 it should be made clear that under the 2009 Statement of Recommended Practice that Business Rates debt is not the debt of the Authority and it merely acts as an agent for the Scottish Government, so no provision has to be provided for in the Councils accounts.

3.3 With regard to the Housing Overpayments deemed irrecoverable these are within the non collection provision set for this category of debt.

Council Tax and Business Rates Collection Performance

1 Council Tax 2015/16

As at 31 March 2016 the Council collected 97.8% of its Council Tax.

The Council Tax in year collection rates for the last 3 years is shown below.

Year	15/16	14/15	13/14
% Collection Rate	97.8	97.6	97.6

Improving collection levels is a considerable achievement given the on-going effects of the wider Welfare Reform agenda and the continuing difficult economic situation affecting households on low income. In addition growth in the number of properties liable to Council Tax (the tax base) and the Council's policy changes in relation to long term empty properties mean there is more Council Tax income to collect and has been collected than ever before.

To put this into context nationally it is expected that this will be top 5 performance.

2 Business Rates 2015/16

As at 31 March 2016 the Council has collected 98.7% of its Business Rates levied.

The Business Rates in year collection for the last 3 years is shown below.

Year	15/16	14/15	13/14
% Collection Rate	98.7	99.1	98.1

Despite a slight reduction in performance which is due to collection difficulties with a small number of larger payers this should again be top quartile performance.

Summary

Subject to audit the information above indicates another positive performance for both Council Tax and Business Rates. The performance will again be one of the best in Scotland. Every effort will be made to maintain this performance in the coming year.

As members are aware we continue to collect outstanding charges beyond the year end and every effort will be made to continue to ensure that collection levels are maximised.