

**Subject:** **Waivers of Contract Standing Orders**  
**Date of Meeting:** **23 September 2010**  
**Report of:** **Director of Finance & Resources**  
**Contact Officer:** **Name: Claire Jones** **Tel: 291408**  
**E-mail: claire.t.jones@brighton-hove.gov.uk**  
**Key Decision:** **Yes** **Forward Plan No: CAB17620**  
**Wards Affected:** **All**

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

- 1.1 Contract Standing Orders (CSOs) requires reports to be presented to the Cabinet, setting out all waivers authorised under CSO 18.2 & 18.3 compared to previous financial years. This report relates to financial years 2008/09 and 2009/10.

**2. RECOMMENDATION:**

- 2.1 That Cabinet endorses the action taken to reduce the number of waivers by more than 50% since 2007/08 and notes the information set out in table 1 and the appendices.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 Under CSO 18, Chief Officers have delegated powers to waive CSOs in relation to contracts with an estimated contract value of less than £75,000 and over £75,000 following consultation with the relevant Cabinet Member and the Procurement Strategy Manager. CSO 18.6 states that a register of all waivers will be jointly maintained by Corporate Procurement and Property & Design and kept available for inspection by Councillors or members of the public during working hours.
- 3.2 In February 2010 the council was reorganised so that the housing function moved directorate to Culture & Regeneration to form the newly titled Housing Culture and Enterprise directorate. For the purposes of this report housing waivers continue to be shown within the figures of Adult Social Care & Housing to allow comparisons with previous years.
- 3.3 A summary of the number and value of waivers under and over £75,000 for each of the years 2007/08 to 2009/10 is shown in table 1 below. The table shows a reduction of more than 50% in both higher and lower value waivers since 2007/08. The waiver authorisation and notification processes have been streamlined, greater use has been made of consortium contracts with more

collaboration with neighbouring authorities and additional training has been provided for contract officers. These actions have all helped to reduce the number of waivers and this reduction will have improved the value for money obtained by the council through greater competition.

<b>Table 1</b>						
	<b>Number of Waivers</b>			<b>Value of Waivers</b>		
Year	2007/08	2008/09	2009/10	2007/08 £ million	2008/09 £ million	2009/10 £ million
Under £75,000	57	41	25	1.1	1.1	1.0
Over £75,000	14	13	6	1.9	3.5	0.7
<b>Total</b>	71	54	31	3.0	4.6	1.7

3.4 The statistical analysis of the waivers in 2008/09 and 2009/10 is included within Appendix A and B to this report. Although the number of waivers received in 2008/09 decreased by 17 compared to 2007/08 there was an increase in value of £1.6m. The majority of this increase can be accounted for by a waiver for a high value service where insufficient tenders were received following a competitive procedure.

3.5 A summary of the waivers for each financial year by directorate can be found in Appendix C. This information does not appear to demonstrate any noticeable trend apart from an overall reduction in waiver numbers.

#### **4. CONSULTATION**

4.1 The Assistant Director of Property and Design, and the Head of Strategic Finance & Procurement have been consulted over the contents of this report.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

5.1 The use of the waiver function allows the council to achieve the best value on its contract standing orders and therefore supports providing value for money. This report is for information purposes and does not have any direct financial implications, although it should be noted that financial implications would be required within each report supporting a waiver.

*Finance Officer Consulted: Alasdair Ridley*

*Date: 09/07/10*

##### Legal Implications:

5.2 There are no direct legal implications arising from this report. Full legal implications would be required within each report supporting a waiver in respect of a contract estimated to be over £75,000. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.

Equalities Implications:

- 5.3 There are no direct equalities implications in this report and it should be noted that full equalities implications would be required within each report supporting a waiver in respect of a contract estimated to be over £75,000.

Sustainability Implications:

- 5.4 There are no direct implications in this report and it should be noted that full sustainability implications would be required within each report supporting a waiver in respect of a contract estimated to be over £75,000.

Crime & Disorder Implications:

- 5.5 There are no direct implications in this report.

Risk and Opportunity Management Implications:

- 5.6 The use of the waiver function allows the council to mitigate potential risk of fraud and deception within the procurement process. It also allows the Corporate Procurement team to analyse trends regarding directorate procurement practices and address any issues which may arise.

Corporate / Citywide Implications:

- 5.7 These are included in section 7 below.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Not applicable to this report.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The analysis does not suggest any failure to comply with CSOs. The decrease in the numbers of waivers is consistent with the streamlining of the waivers authorisation and notification processes. This demonstrates achievement of value for money and reflects the changing nature of procurement, including the move to greater use of partnership working and collaboration.
- 7.2 Corporate Procurement continues to increase the profile of procurement with officers seeking advice about tendering and the use of more innovative approaches to procurement, which are allowed for within CSOs without the need for a waiver for e.g. the increase in collaboration with neighbouring councils and the use of consortium contracts.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix A - Analysis by Reason and Directorate - For Period 1/4/08 to 31/3/09
2. Appendix B - Analysis by Reason and Directorate - For Period 1/4/09 to 31/3/10
2. Appendix C - Summary of Waivers for financial years 2007/08, 2008/09 & 2009/10 by Directorate

### **Documents in Members' Rooms**

None

### **Background Documents**

None