



**RECORD OF DELEGATED DECISION (OFFICER)**

**CONTRACT EXEMPTION**

<b>1. Decision Reference No.</b>	<b>CEX146</b>
<b>2. Name/Title of Officer</b>	<b>Nick Sach</b>
<b>3. Email address of Officer</b>	<a href="mailto:Nsach@melton.gov.uk">Nsach@melton.gov.uk</a>
<b>4. Contract Title / Subject Matter:</b>	<b>Housing Benefit Assurance Process (HBAP) Contract Award</b>
<b>5. Type of Decision:</b>	<b>Public</b>
<b>6. Key Decision?</b>	<b>Yes (expenditure over £50k)</b>
<b>7. Contract type:</b>	<input type="checkbox"/> Goods <input checked="" type="checkbox"/> Services <input type="checkbox"/> Works
<b>8. Decision Taken:</b>	
<p>1. Authority to use an Exemption as detailed below;</p> <p>2. Authority to award the contract to Ernst Young for the HBAP Assurance Process for the period 2020/21, 2021/22, 2022/23 with the possibility of a further year 2023/24</p> <p>3. Authority to enter into any necessary agreements with the Contractor</p>	
<b>9. Contract Details</b>	
Service area	<b>Revenues &amp; Benefits</b>
Short contract description	<b>Housing Benefit Assurance Process</b>
Length of Exemption (months)	<b>N/A</b>
Exemption start date	<b>N/A</b>
Exemption end date	<b>N/A</b>

Total exemption value (£)*	<b>£52,000</b>
Cumulative value of all previous Exemption requests (if applicable)	<b>N/A</b>

\* Where the total value of the contract is £5,000 or more, the resultant contract must be added to the Contract Register to ensure compliance with Transparency Regulations.

An award notice is required on Contracts Finder for all Contracts with a total value of £25,000 or above. Welland Procurement is responsible for such award notices. Officers must formally advise Welland of the award details, so that they can publish the award notice.

## 10. Exemption Details

<b>Type of Exemption:</b>	<input checked="" type="checkbox"/> New Requirement <input type="checkbox"/> Change to Existing Requirement <input type="checkbox"/> Replacement to Existing Requirement <input type="checkbox"/> Other
<b>Which rule are you seeking an exemption from?</b>	<input type="checkbox"/> To advertise <input checked="" type="checkbox"/> To follow a full tender process
<b>Name of Proposed Provider:</b>	
<b>Has the requirement been subject to a previous Exemption?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes [If yes give details below]
<b>Applicable Exemption:</b>	<input checked="" type="checkbox"/> (1) No genuine competition: proprietary or patented goods or services; requirement of such a specialist nature that it can genuinely only be fulfilled by one person or organisation; compatibility with existing goods or services is required and where those existing goods or services can only be sourced from the same supplier.
<i>If the justification being relied upon is as detailed in here, the relevant Service Director will need to approve the exemption prior to it being submitted to the Director for Corporate Resources and the Director of Governance and Regulatory Services for approval.</i>	<input checked="" type="checkbox"/> (2) There is a sound business case and/or an independent review that there is no value for money in running a full procurement process. Supporting evidence will need to demonstrate market testing and enquiries to other suppliers. This should not be used to avoid competition or where decisions to procure have been postponed and there are insufficient timelines to procure.
<b>Details of benchmarking or market testing carried out</b>	A request for quotation process (RFQ) was carried out in relation to this award. A previous procurement for the 2019/20 HBAP was also carried out when only 2 bids were received. A further procurement process would result in the

		council not being in a position to meet its obligations.
	<b>How will value for money be secured?</b>	During a previous procurement for the 2019/20 HBAP a bid from an alternative potential supplier was provided at £15,000 (core fee). The quotation received from Ernst young for the 2020/21 to 2022/23 HBAP is lower than that provided from an alternative supplier for a previous year. Further to this a procurement exercise (RFQ) was done for the 2020/21 to 2022/23 HBAP where only 1 response was received. It is therefore felt that the quote provided as part of the RFQ exercise represents good value for money in comparison to other providers of the service. The HBAP is a specialist piece of work and only a limited number of providers could carry out the service on our behalf.

### 11. Reasons for Decision:

A RFQ process was initially undertaken in respect of the HBAP process for 2020/21 to 2022/23 with the option on an additional year to cover 2023/24. As part of the RFQ process 3 potential bidders were invited to bid for the contract. One bidder confirmed that they were unable to provide a quote for the work due to capacity issues. The second did not respond to the RFQ. Meaning the only provider to bid was Ernst Young. The quote has come in slightly over the £50,000 key decision threshold at £52,000 for the maximum period of the contract (4 years).

It is felt that a full tender process would not represent value for money given the fact that an RFQ process has already been carried out and only 1 bid was received as a result. The HBAP is a specialist piece of work and only a limited number of providers could carry out the service on our behalf. I feel that we have invited a number of those providers to bid for the work by sending an RFQ to them. The fact that only one bid was received as part of the RFQ shows that there is no genuine competition for this particular period of work.

There is a requirement for us to confirm our reporting accountant with the Department of Works and Pensions (DWP). Given the short timeframes involved in this it is felt that carrying out a full tender would not allow us to meet this requirement with the DWP and would lead to further delays in the appointment of a reporting accountant. Which ultimately could lead to a delay in our final claim form being signed off.

### 12. Authority / Legal Power:

Delegated decision

### 13. Background Papers attached?

None

#### 14. Alternative options available / rejected:

1. Carry out a full tender process – A full tender process is likely to take a considerable amount of time to put in place. Given the requirement to confirm our reporting accountant with the Department of Works and Pensions as a matter of urgency. I do not feel that this is a viable option at this stage.
2. Not procure a reporting accountant - Given that the Housing Benefit Assurance Process is a statutory requirement put in place by the Department of Works and Pensions this was not considered as a viable option.

#### 15. Implications:

<b>Legal</b>	<p>This is a key decision.</p> <p>The Council has the power to enter into contracts in order discharge its functions (Local Government Act 1972, s111 and the Local Government (contract) Act 1997, s1).</p> <p>The Local Government Act 1972 requires the Council to have regulations for how it enters into contracts. In addition to complying with all relevant UK and EU legislation every contract entered into on behalf of the Council must also comply with the Council's Contract Procedure Rules and the Council's Financial Regulations. The Contract Procedure Rules provide exemptions but the exemptions listed do not apply to procurements valued above the relevant EU Threshold.</p> <p>Exemptions must be approved by the Director for Corporate Services and the Director for Governance &amp; Democracy and are subject to one of more of the criteria being fulfilled.</p> <p>[Legal Approval 26 August 2021]</p>
<b>Finance</b>	<p>The cost of this audit is contained within existing budgets. The audit of grant claims sits outside of the Public Sector Audit Appointment contract so is required to be procured separately. A new procurement exercise is being run nationally with contracts to commence from the financial year 2022/23. This contract for the audit of housing Benefits will fit with this timescale as should the Council see a change in its external auditor form 1.4.22 and wish to consider the same auditor for its grant work.</p> <p>[Finance Approval 4.8.21]</p>
<b>HR</b>	-

<b>16. Signature of relevant Service Director:</b>	Signature redacted <b>Name: Michelle Howard</b> <b>Director for: Housing &amp; Communities</b> Date: 3 <sup>rd</sup> September 2021
<b>17. Signature of Decision Maker with authority to sign</b>	Signature redacted <b>Dawn Garton</b> <b>Director for Corporate Services</b>
<b>18. Consultation with:</b>	Email 26.08.21 <b>Kieran Stockley</b> <b>Assistant Director for Governance &amp; Democracy</b>
<b>19. Date:</b>	

Please send all decisions for publication to: Democratic Services at [democracy@melton.gov.uk](mailto:democracy@melton.gov.uk).  
All decisions with exempt information should be referred to [MonitoringOfficer@melton.gov.uk](mailto:MonitoringOfficer@melton.gov.uk)