

Report to Portfolio Holder for Environment

Subject: Work for Third Parties - Delegations

Date: 6 May 2014

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Wards Affected

All

Purpose

To seek approval to establish a formal delegation to the Corporate Director to approve work carried out for third parties by the Parks and Street Care Service (PASC) up to a value of £20,000.

Key Decision

This is not a key decision

Background

1.1 Whilst the Council is encouraging its staff to be more entrepreneurial internally and externally, any service provided for third parties must comply with the Council's legal and constitutional requirements.

Third Parties may seek from the PASC service contracts for works in three areas potentially:

1. grounds maintenance
2. arboriculture services
3. street cleansing works

Such work may be carried out for:

- Residents of the Borough;
- Businesses within the Borough; or
- Other public bodies.

Within the Councils Constitution and specifically the Financial Regulations section is clearly outlines the responsibilities of the Corporate Director as (section 5.26)

'to ensure that the approval of the executive is obtained before any negotiations are concluded to work for third parties' .

The remaining eight responsibilities in that section of the Corporate Director are all designed to ensure the Council is not exposed to debt, that contracts are properly priced and documented, and that the Council has the right level of expertise to undertake the works.

Currently there are no established delegations to cover third party works contracts as described above to enable PASC Services to undertake such works. The limitation of the current situation is that on every occasion that PASC wish to enter into a third party contract of any size the approval of the executive is required. This situation makes the process of contracting for third party works cumbersome and not timely.

If the current situation continues with the delegated approval for third party works always remaining with the executive function it may mitigate against PASC Services being able to respond effectively to requests for third party works, so in turn entrepreneurial opportunities could be lost.

Proposal

- 2.1 It is proposed that delegated power be given to the Corporate Director to approve all work for third parties carried out by PASC up to the value of £20,000.00 per contract or job. The Corporate Director will continue to be responsible for ensuring compliance with the requirements in the Financial Regulations set out above and that the Council has the powers to provide the service requested.

The Portfolio Holder for Environment, in their Executive capacity will continue to be consulted and take decisions on all work carried out for third parties in excess of £20,000.00.

Alternative Options

- 3.1 One option is to remain with the status quo as outlined with the current version of the Constitution and Financial Regulations. This is not favoured for the reasons previously outlined.

Another option would be to approve the delegation to the Corporate Director as outlined but reduce or alternatively increase the contract value figure. The £20,000.00 contract value has been determined by the

Service Manager as being the most appropriate value for the two levels of delegated approval.

Financial Implications

- 4.1 The current 2014/15 approved budget for ad hoc third party works as detailed at paragraph 1.1 above is £62,400. Financial Regulations require that no work for a third party is subsidised by the authority and therefore all pricing should ensure full cost recovery.

Appendices

- 5.1 None

Background Papers

- 6.1 None

Recommendations

THAT:

- (a) The Corporate Director responsible for Parks and Streetcare be authorised to approve all work for third parties carried out by PASC up to the value of £20,000.00
- (b) The said Corporate Director be authorised to agree the fees and charges for such work on a full cost recovery basis.

Reasons for Recommendations

To ensure that the Councils Constitution and Financial Regulations are effectively upheld and adhered to and also ensure that delegated authorities from the Executive support the Councils desire to be more entrepreneurial.

To ensure efficient decision making by reducing the bureaucracy and timescales associated with approving low value work for third parties and preventing the Executive from being overwhelmed by a large number of day to day operational matters.