

Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety

Report to:	Councillor E J Poll, Executive Councillor for Economic Development
Date:	02 April 2012
Subject:	Community Lincs Tender Exemption – Local Broadband Plan for Lincolnshire project services
Decision Reference:	02029
Key decision?	Yes

Summary:

This report outlines the reasons why Community Lincs are the voluntary sector organisation best placed to deliver services with detailed localised knowledge of Lincolnshire county's broad community issues and concerns and seeks authority for direct negotiation of a contract for such services between the County Council and Community Lincs.

Community Lincs are the Rural Community Action Network (RCAN) for Lincolnshire affiliated to ACRE. DEFRA have invested in the RCAN Network to deliver strategic advocacy on behalf of rural communities nationwide. DEFRA's latest investment over years from 2011-15 aims to support national policy making in four areas including, Rural Broadband.

Both ACRE and DEFRA, through Community Lincs, campaign across the county for both localised and wider community need with groups on overlapping issues to both deliver and influence positive changes to enhance; quality of life; regeneration in areas of deprivation; housing; and employment opportunities to rural Lincolnshire communities in their capacity as the regional RCAN.

Recommendation(s):

That the Executive Councillor authorises the establishment by direct negotiation of a 1 year contract (with options to extend annually for a further 2 years) with Community Lincs to deliver specific support to communities developing their own broadband solutions within the framework of the Local Broadband Plan for Lincolnshire project.

Alternatives Considered:

1. Full Tender Process

Advantages

This is fully open and transparent. It justifies service provider and negates any accusations of monopoly support. It demonstrates best value/ value for money.

Disadvantages

If Community Lincs were to lose in a competitive tendering process, best value would not be obtained from the investment already made by DEFRA and LCC Economy & Culture. Neither would local expertise and knowledge be harnessed and the loss of income to the organisation would additionally impact on their sustainability and current diversity of services.

2. Exemption from tender process

Advantages

Maintaining delivery with the local RCAN ensures that Lincolnshire County Council funding would enable a single provider (CL) to directly deliver against the project outcomes as well as additionally link and deliver against broader LCC core offer objectives for E&C.

Disadvantages

A fully open and transparent tender process will not have been undertaken, and best value is less evident.

3. Lincolnshire County Council deliver the services through internal staffing resources.

Advantages

Cost savings made.

Disadvantages

Lincolnshire County Council ceases to engage with a specialist external provider.

There are no current resources within Lincolnshire County Council to deliver these services. The Local Broadband Plan is unlikely to deliver key outcomes which have been assigned to this project including the 2017 target of 100% 'near universal' superfast in rural communities.

Reasons for Recommendation:

By maintaining and developing the existing local and national relationship with Community Lincs, local knowledge and expertise is harnessed and utilised to best deliver the objectives for the superfast Broadband project.

This approach also avoids a more complex working arrangement with a new service provider from outside the county and the associated draw on resources through the hand holding and training highly likely to be required to bring them up to speed.

1. Background

- 1.1 For over 80 years Community Lincs (CL) have been working with community organisations across Lincolnshire. They are a company limited by guarantee with charitable objectives and endeavor to support and nurture community activity and champion good practice. They maintain an enabling role in the provision of rural social housing and manage environmental projects including Redundant Rural Buildings and the Best Kept Village competition. They provide insurance services to parish councils and village halls to support their income streams, draw down funding from major foundations and organisations to deliver community projects, support grant aid programmes and collaborate on training provision that benefits rural communities. LCC have provided funding for a number of years and Community Lincs has a number of influential individuals as board members and trustees.
- 1.2 CL's current activity and priorities have recently been identified and broken down into:-
 - 20% STRATEGIC INFLUENCE
 - Broadband/ LRHP
 - 40% DEVELOPING COMMUNITIES
 - BKV/ Rural Youth Inclusion/ Rural Broadband delivery/ RRBG/RHG
 - 40% SUPPORTING LOCAL ACTION
 - Communities together/ Learning Lincs/ CPRE SLA's/Training development/ Quality Awards
- 1.3 Lincolnshire County Council have historically contracted Community Lincs to deliver specific community and cultural services for a number of years. This is expected to combine through the newly formed Public Health Directorate. Economy and Culture also maintain strong linkages and plan to contract specific services from CL including this Local Broadband Plan SLA.
- 1.4 The recent mid year monitoring review with CL demonstrated that CL continue to deliver against targeted performance outcomes.
- 1.5 The proposed Broadband contract with CL to deliver specific services will be to an annual value of between £43,000 - £46,000 (to be negotiated) and to run for the period of one year with the option to extend for a second and possibly third year.
- 1.6 This exemption request relates to the maximum term of the contract which holds a maximum contract value of £138,000 and therefore they fall under the OJEU tender threshold of £173,934.
- 1.7 However, even though the value of the contract is below the EU threshold, general EU Treaty principles of transparency, openness and non-discrimination will require the contract to be advertised unless the Council

considers that the contract would not be of interest to potential contractors on other member states of the EU.

- 1.8 It is considered that a contract with a guaranteed duration of one year and a guaranteed value of only £43,000 – £46,000 would not be of interest to a potential provider in another member state.
- 1.9 The potential value of the contract is however over £75,000 and the Council's contract procedure rules would normally require a full tender process unless an exemption is approved.
- 1.10 Due to the value of this agreement falling between £75,000 and £250,000, Lincolnshire County Council's constitution requires an Executive Councillor to give approval for a direct negotiation with a single provider.

2. Conclusion

- 2.1 For the following reasons, we believe that the contract should be awarded by direct delivery.
 - CL is the established provider for Lincolnshire within the Rural Community Action Network (RCAN). DEFRA and LCC have invested in CL and the RCAN network over many years, and DEFRA have committed funds up to 2015 to support national policy, including rural broadband. CL's have obtained extended funding from a number of funders to deliver services linked to those requested by Lincolnshire County Council. To engage another provider would be counter productive to achieving Lincolnshire County Council required outcomes.
 - The possibility of a new provider winning the contract potentially would weaken Lincolnshire County Council's contribution towards strategic rural delivery across the county.
 - The loss of this funding could potentially lead to a loss of confidence in CL from district councils, the public and funders. This would weaken their ability to deliver against the strategic agenda and deliver key outcomes as identified in the core offer.

3. Legal Comments:

The Council has power to enter into the contract proposed. For the reasons given in the Report the proposal is considered to be consistent with the Council's public procurement obligations

The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

4. Resource Comments:

The report gives approval to directly approach Community Lincs for a contract to support communities developing their own broadband solutions. The contract estimated at between £43,000 - £46,000 pa is initially for one year but could be extended for up to a further two years. The cost of this contract will be funded from the current Economy and Culture revenue budget.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This has not been considered by a scrutiny committee.

d) Policy Proofing Actions Required

n/a

6. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Justin Brown, who can be contacted on 01522 55 0630 or Justin.brown@lincolnshire.gov.uk