

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3137

Author:

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Department:

Commercial and Operations

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Subject:

Market upgrades - MACCS 2 IT System & Clinton Street Market improvements

Total Value:

£55,305 made up of
£41,265 capital
£14,040 revenue (£4,680.00 per annum) (Type: Capital and Revenue)

Decision Being Taken:

To grant dispensation from Contract Procedure Rule 5.1.1, in accordance with Financial Regulation 3.29, to directly award a 3 year contact to KPR Midlink for the MACCS 2 IT system which will support the operation of Nottingham Markets, as detailed in the attached briefing note, at a cost of £16,265 capital and £14,040 revenue (funded by the service).

Approve funding of £25,000 for improvements at Clinton Street Market, as detailed in the attached briefing note.

Reasons for the Decision(s)

MACCS 2 IT system
 The National Association of British Market Authorities (NABMA) have advised that KPR Midlink are the sole provider of MACCS 2 in the UK . This software is the industry standard system for markets administrative/audit. It will produce reports regarding performance indicators, diversity levels, market income, create Trader licenses, keep accurate insurance details and clear audit trails across all of the councils markets.

The current administrative system for Markets is outdated and the license for support has been discontinued last financial year rendering the current system obsolete. Without an appropriate IT system the service will have to fall back onto paper records which will have implications on staff resources, audit regulations and storage. A paper-based system has not been used for a number of years so we would have to create new arrangements for this to happen incurring additional costs in staffing and resources.

The upgraded system will cost £27,549.00 (including license fees). Capital costs are £16,213.00 for the system including 1 years license. The annual licence agreement will cost £5,668.00 per annum for the additional two years. This reduces revenue costs by £800 per year. The business objectives met by purchasing this software solution is to ensure we adhere to all relevant legislation in terms of data protection, financial regulations and provide an improvement on collecting income from tenants.

Clinton Street Market improvements
 Approve funding £25,000 to improve the trading environment around Clinton Street Market. This project is currently in its consultation phase with traders to establish key priorities. Once the traders key priorities are known, and after consulting with local councilors, a procurement strategy will be implemented to deliver this project.

Briefing notes documents:

Business-Case-template-v1 1 (2) -clinton street for craig.doc, Business-Case-template-v1 1 (2) -maccs 2 for craig.doc

Other Options Considered:

MACCS 2 system
 1) Do nothing. This option was rejected as it will present several risks in terms of financial and audit regulations and increase operating costs.
 2) Create a new paper based system. This option was rejected as it will impact staffing resources and increase costs as more resource will be required to manage, develop, and maintain a paper based systems.

Clinton Street Market improvement
 Not making the improvements. This option was rejected as Traders will be unable to afford the recent rent increase and occupancy will fall.

Background Papers:

None

Published Works:

None

Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Dispensation from Financial Regulations:	Yes
Consultations:	<p>Date: 10/01/2018</p> <p>Ward Councillors: David Trimble</p> <p>Councillor David Trimble was supportive of the proposals.</p> <p>Those not consulted are not affected by the decision.</p>
Crime and Disorder Implications:	<p>MACCS 2 will support staff with rent collection and provide a more robust system for managing traders. We will have the ability to check on site via tablets traders disciplinary record, public and product liability insurance, and any complaints. This will make the markets a better and safer place to trade and shop.</p> <p>Clinton Street improvements will provide an enhanced city centre retail offer protecting income.</p>
Equality:	EIA not required. Reasons: Not required as the decision relates to a back office system, and the improvements in Clinton Street will enhance retail experience for dis-advantaged groups and citizens on low income.
Social Value Considerations:	Not applicable.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	03/05/2018
Advice Sought:	Legal, Finance, Procurement, IT

Legal Advice:

This report does not raise any significant legal issues. A direct award is permitted as the value for the supply of the software and support is well below the applicable financial threshold in the Public Contracts Regulations 2015. It is assumed that the supplier will have the exclusive rights to support the software and on that basis it would be worth considering negotiating an option to extend the support for an additional period to provide a long term strategy for the system.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 30/01/2018.

Finance Advice:

This decision seeks approval to incur the following :

£25,000 - capital expenditure to improve Clinton Street Market. The current MTFP has an income target of £0.116m and these improvements will support achievement of this income target and to increase rent chargeable to stallholders when the improvements have been completed by approx. £8k to £10k per annum. This cost will be funded from approved funds held in earmarked Commercial & Operations investment reserves.

£16,265 - capital expenditure to purchase a new system to keep records and performance manage the Council's markets. Failure to update the system would lead to an inefficient manner of monitoring which could have an adverse effect on rent collection and responding to market trader enquiries. This cost will be funded from approved earmarked Commercial & Operations investment reserves.

£14,040 - revenue expenditure for the licence agreement for 3 years at an annual cost of £4,680. There is provision in the MTFP for this cost and the new licence will £800 per annum lower than the current cost.

All VAT incurred on expenditure on these schemes will be recoverable by the Council subject to it remaining within its Partial Exemption limit. The forecast position will need to be updated to include VAT incurred on these schemes.

Dispensation from contract procedure rule 5.1.1 in accordance with financial regulations 3.29 is requested as KPR Midlink is the sole provider of the MACCS 2 system which is the industry standard system. Dispensation is recommended on the grounds of efficiency and business continuity.

The capital programme will need to be updated to reflect the above commitments.

Advice provided by Maria Balchin (Finance Analyst) on 29/01/2018.

IT Advice:

The IT Service supports the proposal included in this delegated decision in relation to the upgrade to MACCS 2. MACCS 2 is the new version of the product currently in use by the service and upgrading will provide a sustainable information system. It is understood that MACCS 2 will either be operated from the current hardware or as an externally hosted service from the vendor.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 09/03/2018.

Procurement Advice:

The proposal is a request for a dispensation from contract procedure rule 5.1.1. The dispensation is requested due to a sole supplier being able to deliver the product required. Given the reasons for this dispensation and the associated value which falls below OJEU thresholds, there are no significant procurement concerns with this proposal. Any future procurement requirements associated with this approval and its latter phases will be supported by the Procurement Team.

Advice provided by Lauren Wheatcroft (Procurement Officer) on 30/01/2018.

Signatures

David Trimble (Portfolio Holder for Leisure and Culture)
SIGNED and Dated: 25/04/2018
Andrew Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 25/04/2018
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 19/04/2018
Chief Finance Officer's Comments: