



POLICY AND RESOURCES COMMITTEE – 18 APRIL 2013

NORTH EAST SCOTLAND PRESERVATION TRUST

1. Recommendations

1.1 It is recommended that the Committee:

- 1. Agree to the suspension of Financial regulations 5.3.5, Contracts over £10,000 but less than £60,000, to exempt the Planning and Building Control Service from seeking competitive quotations for the works contained within the Service Level Agreements and Partnership Accord with the North East Scotland Preservation Trust (NESPT).**

2. Background / Discussion

- 2.1 NESPT and Aberdeenshire Council have had a long standing partnership arrangement and have been operating increasingly through Service Level Agreements over the past 6 years.
- 2.2 Planning, Legal and Governance, Finance, and Procurement staff have been meeting to ensure that the expanded Service Level Agreements for 2013-14 comply with both the Council's internal governance requirements under the Financial Regulations and the legislative framework applicable to all Council procured services and direct contract awards, namely the Public Contracts (Scotland) Regulations 2012.
- 2.3 It has been agreed that for the reasons outlined below and the expanded scope of the services to be provided by NESPT under Sections 21.1/21.2/21.3 of the Primary Service Level Agreement (Appendix 1 attached) it is necessary to seek an exemption from the requirement to obtain competitive quotations under Financial Regulation 5.3.5 in respect of services provided by the Trust. In presenting this application, it is confirmed that:
 - I. The value of NESPT services falls below the procurement threshold value and the law does not therefore require a formal procurement process to be followed;
 - II. The value of NESPT services is below the European Commission's minimum threshold level for state aid and the direct award of services to NESPT should not constitute an unlawful award;
 - III. The value of NESPT services will continue to be reviewed against procurement and state aid threshold levels to ensure legal compliance continues throughout the duration of the Service Level Agreements.
- 2.4 By utilising the Services of NESPT in this way there are many benefits which will accrue to both the Council and to NESPT. It is expected that Best Value can continue to be demonstrated through the agreement. The arrangement has secured value for money and provided significant assurance on the quality of work completed. The arrangement will also provide significant mutual benefits such as:-

- There is a shared vision between NESPT and the Council with regards to the protection and enhancement of the Built Environment.
- The NESPT has a proven track record of delivering significant projects to a high standard, eg 2 and 4 Old Castlegate, Banff and the Prop of Ysthie.
- The NESPT ethos and approach has generally given more than the “contracted work” to ensure that the project is completed to a mutually satisfactory standard.
- NESPT is a non-profit organisation and will continue to offer very competitive day/hourly rates.
- The arrangement provides for the longer term security of the Trust which is considered important for both parties.
- There is considerable staff time savings in not having to seek competitive quotations for small pieces of work where suitable contractors may be difficult to find.
- The Council’s Materials Reclamation Store at Mintlaw could not operate at the current level of activity without the close support of NESPT.

2.5 The benefits to NESPT will include increased certainty of an income stream which will allow it to undertake forward financial planning and aid its long term sustainability.

3. Equalities, Staffing and Financial Implications

3.1 There are no staffing implications arising of this proposal.

3.2 There are no predicted impacts on equalities arising from this report.

3.3 Any comments from monitoring officers have been reflected in the body of the report.

3.4 The value of services to be provided under the agreement is £56,000. This sum has been provided for on the Planning Service, Policy and Environment budget for 2013/14. Any additional services to be provided by NESPT outwith the terms of the agreement will be subject to financial regulations.

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Stephen Archer
Director of Infrastructure Services

Report by: Tom Buchan, Principal Accountant and Brian H Watt, Environment Team Leader (South)

Date: 13 March 2013