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Hinckley & Bosworth
Borough Council

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EXECUTIVE - 29 JUNE 2016

SUPPLEMENTARY AGENDA

10. HINCKLEY MARKETS PROCUREMENT (Pages 1 - 4)

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Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

Executive 29 June 2016

WARDS AFFECTED: All Wards

Hinckley Markets Procurement

Report of Bill Cullen, Deputy Chief Executive

1. PURPOSE OF REPORT

- 1.1 To seek Executive's approval to undertake a formal procurement exercise in relation to the operation of Hinckley Markets.

2. RECOMMENDATION

- 2.1 That Executive approves the commencement of the procurement process as detailed within section 3.4 and following

3. BACKGROUND TO THE REPORT

- 3.1 Following a report presented to Executive 9th March 2016, it was agreed that Officers explore all options for improvement/development of Hinckley's Market, including undertaking soft market discussions, to understand what the private sector can potentially offer. Subsequent to that meeting, and on the basis of the 'soft' discussions (3.3 below), it is considered that the circumstances are appropriate for a formal procurement exercise to be undertaken.

- 3.2 The outcome of the formal procurement process will allow the Authority to make an informed decision as to the future management and operational delivery arrangements. The following key aims will be promoted for achievement:

- Enhance the quantity of traders and stalls
- Improve the overall 'offer' to the public
- Increase the number of specialist markets
- Assist in wider economic vitality of the town centre
- Improve the financial position for the Authority
- Investment into markets infra-structure
- Focus on long-term sustainability of the markets
- Develop a strong partnership with operator

- 3.3 During the last 3 months, Officers, Members and representatives from the Market Development Group have held productive discussions with Private sector representatives and have concluded it would be beneficial for the Authority to formally test the market.
- 3.4 The specification will be developed on the basis that an external company would manage the market operation, including set up, day-to-day operations, staffing arrangements, promotions and income collection and would be responsible for the overall development of the market.
- 3.5 The contract period would be 5 years with annual breakout clauses based on performance.
- 3.6 As with other Council contracts, the principle of the contract will be to find a partner with whom the Local Authority, and its close stakeholders, can work effectively and openly, to enhance the markets.
- 3.7 It is proposed that in accordance with financial and procurement procedures, Officers commence a formal tender process. Indicative timescales are as follows:

July –August 2016	Draft tender specification
September 2016	Issue advert
November 2016	Tender submission deadline
Dec 2016 – Jan 2017	Review submissions
Feb 2017	Confirm preferred bidder
April 2017	Commencement of contract

- 3.8 The well established Markets Development Group will be fully engaged throughout each stage of the procurement process.

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 4.1 Not applicable

5. FINANCIAL IMPLICATIONS [DW]

- 5.1 The full financial implications relating to any proposed contract would need to be considered before the contract is let to minimise any risk to the council and to demonstrate that value for money is being achieved. The award of any contract would be subject to the normal procurement rules and financial standing orders.
- 5.2 An additional report will be needed, therefore, once the contract is awarded. This would set out in detail the potential financial impact. As a guide the direct costs associated with the market based on current year budget is £122,000 and primarily consist of staff wages, NNDR and contract cleaning. The total cost of the service currently, including support costs, is £158,000.

6. LEGAL IMPLICATIONS [AR]

- 6.1 As set out above a full OJEU procurement process will be undertaken. Once the procurement process has been completed, the contract may be awarded to the highest scoring tenderers. In deciding whether to appoint the selected contractors the Council should be satisfied as to the competence of the chosen tenderers and that the tender prices represents value for money for the Council.

7. CORPORATE PLAN IMPLICATIONS

7.1 Markets Development relates directly to the Borough Council's Corporate Plan in particular:

- Thriving economy

8. CONSULTATION

8.1 When drafting the tender specification representatives from the following groups will be engaged:

- Executive Lead for Town Centres
- Market Trader representative
- Town Centre Partnership & BID
- Chamber of Trade
- HBBC Street Scene
- HBBC Depot

Officers will need to ensure the existing traders are consulted on this matter.

8.2 The council will ask our public what they expect or desire from the market. Ultimately, its success depends on their support. This will be carried out during the summer. The results will feed into the tender specification.

8.3 As there are potential TUPE transfer considerations, UNISON will be engaged at an early stage.

9. RISK IMPLICATIONS

9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 A number of high level risks have been captured below:

Risk no.	Detail	Mitigation	Owner
1	Reputational – impact of perception of traders on council's commitment to improve the market Likelihood: 5 Impact: 5	<ul style="list-style-type: none">• Engagement with traders throughout the procurement stages feeding in responses as part of decision making process.• Provide positive case studies from similar sized market towns which have already been through this process.	Cultural Services Manager

2	Decline of the market leading to lower demand – potential lose of income from regular traders ceasing due to changes in market operations Likelihood: 3 Impact 5	<ul style="list-style-type: none"> • Positive approach to be adopted via Markets Management Team seeking to encourage continuation of trader and the benefits • Testing of the market • Close liaison with BID and wider stakeholders 	Cultural Services Manager
3	Financial costs associated with undertaking procurement process – minimal at this stage of the procurement process Likelihood: 3 Impact 3	Process to be managed internally by Officers	Cultural Services Manager
4	Financial income - Impact on other revenue streams of the Council Likelihood: 3 Impact 5	Ensuring services such as Street cleansing requirements are factored into the tender process	Cultural Services Manager

9.4 These risks will be managed and reviewed as part of the procurement process and will be inserted into the Corporate Risk Register.

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 Any equalities duties will pass to the preferred private operator. The council will oversee this element as part of the procurement process.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications, in particular any potential TUPE arrangements
- Planning implications

Background papers: Internal audit report – 2010
Internal audit report – 2013
Executive 26th March 2014 – Markets subsidy
Executive 9th March 2016 – Development Plan

Contact Officers: Simon D Jones, Cultural Services Manager
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Executive Members: Councillor Amanda Wright, Executive Member for culture, sport, leisure, partnerships, outside bodies, corporate & member services
Councillor Chris Ladkin, Executive Member for Town & Urban communities