

Delegated Officer Report

Decision Maker: Anne Ryans, Director of Finance

Date of Decision: 31 March 2023

Subject: Treasury Management Consultancy Services

Report Author: Lee Walsh, Finance Manager

Ward (s): All

Reason for the decision: Oldham Council's current contractual Treasury Management consultancy service provider is LINK Treasury Services. This followed a tender exercise conducted early in 2019, resulting in a contract commencement of 1 April 2019, for a period of 3 years (to 31 March 2022), with the option to extend for a further 12 months.

A decision was taken early in 2022 to extend the current contract for a period of 12 months, up until 31 March 2023.

The engagement of a provider of treasury management consultancy services beyond 1 April 2023 is therefore required.

Oldham Council has completed a compliant tender exercise, for the provision of treasury management consultancy services, facilitated by Oldham Council's Commercial Procurement Unit and the Finance department. The tender is open to all current Association of Greater Manchester Authorities (AGMA) Councils, AGMA associates, Chorley Council and South Ribble Borough Council. The tender has been evaluated by technical representatives of Oldham Council's Procurement and Finance team.

The purpose of the report is to gain approval for the award of a contract to an appropriately qualified organisation for the provision of treasury management consultancy services that meets all

the specified requirements; the current contract is due to expire on 31 March 2023.

Summary:

In considering options for the provision of treasury management consultancy services, consultation via the Greater Manchester Association of Municipal Treasurers (GMAMT) was undertaken to determine the feasibility of a collaborative AGMA contract. This was considered an acceptable approach, with Oldham Council leading the tender process.

It was established that, in addition to Oldham, the following authorities also had a contract commencement date of 1 April 2023:

- Bury MBC
- Salford MBC
- Stockport MBC
- Trafford MBC
- Warrington MBC

The authorities listed below also wished to join the contract as and when their current contract ended. It is understood three of these would be in the year 2023/24 or 2024/25:

- Bolton MBC
- Rochdale MBC
- Tameside MBC
- Manchester CC
- Chorley Council
- South Ribble
- Greater Manchester Combined Authority (GMCA)

Oldham Council circulated a proposed tender specification to all the authorities mentioned above to seek feedback and additional specification requirements.

The tender was published via "The Chest" on 10 February 2023, with a closing date 13 March 2023.

Bids were received from the following providers:

- Arlingclose Limited
- LINK Treasury Services (LINK)

The above two bids received met the essential criteria requirements set within the tender documentation and a thorough evaluation was carried out by Officers of Oldham Council Finance and Procurement teams.

Based on the evaluation scores of the technical, price and social values criteria, it is therefore appropriate to recommend the appointment of

Arlingclose Limited as the preferred supplier of treasury management consultancy services to Oldham and the other Councils as outlined above.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option 1 - To approve the award of the treasury management consultancy contract to Arlingclose Limited.

Option 2 – To award the treasury management consultancy contract to a bidder that did not have the highest score at the tender evaluation stage.

Option 3 – Not to approve the award of the contract to Arlingclose Limited or other bidders and go back to tender to seek other suppliers

Consultation: including any conflict of interest declared by relevant Cabinet Member consulted.

Initial consultation was conducted via GMAMT. Once it was established that there was interest from within AGMA, Oldham Council consulted with treasury staff at AGMA and associate Authorities.

Regular consultation was undertaken between all interested parties in terms of specification, evaluation criteria and timing of the tender process.

The Cabinet Member for Finance and Low Carbon has been advised of the process as it has progressed.

Recommendation(s):

The preferred option is to approve Option 1 presented in this report, thus enabling the Council to appoint Arlingclose Limited for the provision of treasury management consultancy services with the aim of enhancing future service provision.

Option 2 would provide a less than optimal solution and Option 3 is not practical as the market is limited.

Implications:

What are the financial implications?

The pricing structure included within the tender specification was based on annual cost of the required specification.

Based on the pricing structure contained within the bid, Arlingclose Limited submitted a cost of £60k for the full package over the 4-year contract for each authority.

The budget for the Councils treasury advice is held in Agresso within R44400 (Services – Professional Fees) 12101 (Corporate Expenses)

this new contract will see a saving of £6k over the life of the contract.

Clearly each of the other Councils will be required to make separate budgetary provision as appropriate.

(Talei Whitmore – Senior Accountant)

*What are the **legal** implications?*

On the basis that the service has been procured in line with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and is open to use by all AGMA Authorities and Associate Authorities, Legal services has no further comments to add.

(Sukhdeep Kaur - Solicitor)

*What are the **procurement** implications?*

The Commercial Procurement Unit supports the approval of option 1 as the procurement has been carried out in line with Oldham Council's Contract Procedure Rules and the Public Contracts Regulations 2015.

(Emily Molden)

*What are the **Human Resources** implications?*

N/A

***Equality and Diversity Impact Assessment** attached or not required because (please give reason)*

There are no perceived implications resulting from this contract on equality and diversity within the Borough.

*What are the **property** implications*

N/A

Risks:

There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The engagement of treasury management consultancy services enables the Council to access professional and appropriately qualified advice in to support its own internal treasury management function and thereby minimises any risk to the Council finances arising from treasury management activities.

The Council has established good practice in relation to treasury management which have previously been acknowledged in the External Auditors' Annual Governance Report presented to the Audit Committee.

Co-operative agenda

The Treasury Management Strategy embraces the Council's co-operative agenda. The Council will develop its investment framework to ensure it complements the co-operative ethos of the Council.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

Reason(s) for exemption from publication: Not applicable.

List of Background Papers under Section 100D of the Local Government Act 1972:

Tender documentation and compliant bid documents

Report Author Sign-off:	
Lee Walsh	
Date: 30/3/23	

Signed : *A. T. Ryans*

Date: 31/3/23_____

Anne Ryans, Director of Finance