

**SCARBOROUGH BOROUGH COUNCIL**  
**PROJECT LEADERSHIP, HARBOURS, COAST AND**  
**FLOOD PROTECTION PORTFOLIO**

**INDIVIDUAL CABINET MEMBER DECISION**

Date: **Wednesday, 30 November 2016**  
Time: **9.00 am**

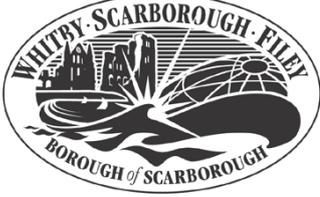
**DECISION**

1. **CONTRACT FOR THE PROVISION OF FISH MARKET SERVICES** (Pages 1 - 6)  
To consider a report by the Director (NE) (reference 16/278) attached.

**These details are published for information only. The decision will be taken by the Cabinet Member who will receive Officer advice in private. A statement of the decision taken, with any appropriate supporting information, will be published as soon as reasonably practicable afterwards.**

***(N.B. If you have any questions or need further information, please contact Reala Freeman, Town Hall, St. Nicholas Street, Scarborough – 01723 232323 or e-mail [reala.freeman@scarborough.gov.uk](mailto:reala.freeman@scarborough.gov.uk).)***

## NOTES

|   |  |                            |
|---|--|----------------------------|
|  | <b>PROJECT LEADERSHIP,<br/>HARBOURS, COAST &amp; FLOOD<br/>PROTECTION PORTFOLIO TO BE<br/>HELD ON 30 NOVEMBER 2016</b> |                            |
|   | <b>Key Decision</b>  | <b>NO</b>                  |
| <b>Corporate<br/>Priority<br/>Improving the<br/>Council</b>                       | <b>Cabinet Portfolio<br/>Holder</b>  | <b>Cllr Mike Cockerill</b> |
|   | <b>Date of Decision/<br/>Referral to O&amp;S</b>   | <b>30 November 2016</b>    |
|   | <b>Deadline for call-in<br/>5.00pm</b>   | <b>5 December 2016</b>     |
|   | <b>Implementation<br/>Date (if no call-in)</b>   | <b>6 December 2016</b>     |

**REPORT OF: THE DIRECTOR (NE) – 16/278**

**WARDS AFFECTED: ALL**

**SUBJECT: CONTRACT FOR THE PROVISION OF FISH MARKET SERVICES**

**RECOMMENDATION (S):**

The Portfolio Holder is recommended to approve:

- i. Following a tender exercise entry into contract with the successful tenderer Whitby Fish Sales Ltd for a period of 5 years with an option to extend for a further 24 months.

**REASON FOR RECOMMENDATION (S):**

- i. to comply with the Council’s Financial and Contract Procedure Rules; and
- ii. ensure that there is a competent supplier appointed and contracted to provide the services.

**HIGHLIGHTED RISKS:**

See Appendix A.

**1. INTRODUCTION**

- 1.1 The Council own and operate an active fish market facility at both Whitby and Scarborough harbours. These facilities are vital to the operation of the port and essential to the fishing industry providing amenities for the landing, storing and subsequent sale and distribution of fishery product. The markets support local and visiting vessels with a nominal throughput in excess of £6.25M value of fish and shellfish products per year. These fish market facilities are presently supported by third parties which supply all ancillary services including ice provision, registered auction services, agents services, forklift services, fish box hire etc all on a 24-7, 365 basis.

## **2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN**

- 2.1 Robust procurement processes are instrumental in improving the overall effectiveness of the Council.
- 2.2 Selecting good quality, competent suppliers for services contributes towards Aim 4: to create a quality environment by promoting assets through the Borough.

## **3. BACKGROUND AND ISSUES**

- 3.1 Prior to 2009 both Whitby and Scarborough Harbours had ice plants which were operated by individual companies which serviced the fish markets and vessels. Third party companies provided agency and ancillary services to the industry and market.

### **3.2 Whitby**

In 2009 the Whitby Fisherman's Ice Society went into liquidation and consequently in order to ensure the continued viability of the fishing industry the Council purchased the Whitby Ice Plant from the company's liquidator and leased the plant to 'Chill Owt Ltd'.

In 2011 Chill Owt Ltd informed the Council that they would be withdrawing from Whitby leaving the port with no ice provision due to the considerable costs involved in maintaining the equipment and associated loss of sales. The withdrawal of Chill Owt Ltd was accompanied by the subsequent closure of Alliance Fish (Whitby) Ltd which at the time provided auction and all other essential ancillary services required to support the fishing industry.

Later that year Whitby Fish Sales agreed to maintain a supply of ice to the port and provide auction and other necessary services. They continue to provide these essential services and equipment to date.

### **3.3 Scarborough**

The situation in Whitby was emulated in Scarborough with a deteriorating ice plant facing increasing maintenance costs and decreasing ice sales. In 2010 the Council accepted a surrender in the lease from a third party. For a short

time in an effort to maintain this essential supply the Council operated the plant in house. Unfortunately the plant proved to be uneconomical and unreliable and further unexpected repair costs rendered it inoperable.

In 2011 the Council reached an agreement with Whitby Fish Sales to provide a supply of ice from their existing factory until their new machines could be installed within the fish market facility. Subsequently two ice machines were installed and operational within the fish market.

The situation was compounded by the demise of Alliance Fish Ltd at Scarborough who provided auction and ancillary services. Whitby Fish Sales Ltd agreed to maintain these essential services and continue to do so to date.

### **Issues**

- 3.4 As can be determined from the background the Council has always undertaken to support the fishing industry at both harbours. It is recognised as an essential and integral part of our historic ports heritage and provides significant contribution to the local economy.
- 3.5 The agreements made with Whitby Fish Sales Ltd were for a fixed term and the Council are looking to the future to secure the continuity of all of fishing industry within the Councils' ports. It is essential that the provision of the crucial ancillary services, which are fundamental in supporting the fishing industry and the harbours, continue to be available on a 24-7, 365 days per year basis.
- 3.6 In order to achieve these services the Council is looking to enter into a contract for the provision of these fish market services at both Whitby and Scarborough Harbours.

## **4. CONSULTATION**

- 4.1 Consultation took place between the Harbour Master and the Procurement Manager throughout the tender process.

## **5. ASSESSMENT**

- 5.1 A contract is required to ensure that the Council complies with its Contract Procedure Rules and also that a suitably qualified supplier can undertake the supply of services to the Council's requirements and commit to any subsequent service levels as agreed.
- 5.2 A detailed specification was prepared with the intention of ensuring that the contract will deliver best value.
- 5.3 The contract was advertised on the Yorkshire and Humber regional electronic tendering system YORtender

- 5.4 Suppliers were requested to complete a suitability selection questionnaire and prices to provide the service
- 5.5 Three suppliers expressed an interest and downloaded the tender documentation with only one company Whitby Fish Sales Ltd actually submitting a bid

## **6. IMPLICATIONS**

### **(a) Policy**

- 6.1 There are no policy implications arising from this report

### **(b) Financial**

- 6.2 The value of the contract is £10,000 per annum

### **(c) Legal**

- 6.3 The tender process complies with the Councils Financial and Contract Procedure Rules

### **(d) Others**

- 6.4 I have considered whether the following implications arise from this report; Equalities and Diversity, Staffing, Planning, Crime and Disorder, Health and Safety, Environmental and am satisfied that there is no identified implication that will arise from this decision.

*Nicholas Edwards*

**Nicholas Edwards**  
**Director**

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## Risk Matrix

| <b>Risk Ref</b> | <b>Date</b> | <b>Risk</b>  | <b>Consequences</b>                                    | <b>Mitigation</b>   | <b>Current Risk Score</b> | <b>Target Score</b> | <b>Service Unit Manager/ Responsible Officer</b> | <b>Action Plan</b>   |
|-----------------|-------------|--|--|---|---------------------------|---------------------|--|--|
| 1               | Nov 16      | Failure to comply with the Councils Contract Procedure Rules   | Challenge which may delay the award of the contract    | Tender procedure has been conducted following the Councils contract procedure rules. Legal services have been consulted in preparation of the contract. | B1                        | A1                  | Harbour Master                                   | Placement of appropriate tender advert and Issue of tender documents |
| 2               | On-going    | Failure to tender the contract may result in the Council entering into a contract on uncompetitive terms | Expenditure could be outside the contract budget       | Contract was tendered to competitive terms should be maintained   | C3                        | A1                  | Harbour Master                                   | All  |
| 3               | Nov 16      | Risk of appointing an unqualified supplier and risk of service delivery                                  | Legal issues, potential impact on image of the Council | Legislation, efficient contract management, monitoring of supplier performance  | C3                        | A1                  | Harbour Master                                   | None   |

## Glossary of Terms

|                      |  |
|----------------------|--|
| Risk                 | An event which may prevent the Council achieving its objectives                        |
| Consequences         | The outcome if the risk materialised   |
| Mitigation           | The processes and procedures that are in place to reduce the risk                      |
| Current Risk Score   | The likelihood and impact score with the current mitigation measures in place          |
| Corporate Objectives | An assessment of the Corporate Objectives that are affected by the risk identified.    |
| Target Risk Score    | The likelihood and impact score that the Council is aiming to achieve                  |
| Service Unit Manager | The Service Unit or Officer responsible for managing the risk                          |
| Action Plan          | The proposed actions to be implemented in order to reduce the risk to the target score |

## Risk Scoring

|        |            |   |   |   |   |   |
|--------|------------|---|---|---|---|---|
| Impact | 5          |   |   |   |   |   |
|        | 4          |   |   |   |   |   |
|        | 3          |   |   |   |   |   |
|        | 2          |   |   |   |   |   |
|        | 1          |   |   |   |   |   |
|        |            | A | B | C | D | E |
|        | Likelihood |   |   |   |   |   |

### Likelihood:

A = Very Low  
 B = Not Likely  
 C = Likely  
 D = Very Likely  
 E = Almost Certain

### Impact

1 = Low  
 2 = Minor  
 3 = Medium  
 4 = Major  
 5 = Disaster