

**PUBLIC MORTUARY AND AUTOPSY RELATED POST MORTEM SERVICES****Report of the Corporate Director (Corporate and Support Services) and Deputy Chief Executive****1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 To ensure Members are sighted on the extension of the contract between the Council and Tameside Hospital NHS Foundation Trust in relation to the provision of Public Mortuary and Autopsy Related Post Mortem Services ("the Contract").
- 1.2 The Council is the "Contract Holder" as lead authority on behalf of the three Local Authorities for Manchester South Coroner Service. The financial implications of the Contract are shared between the three Local Authorities.
- 1.3 The original contract which commenced on 29 September 2017 permits for the parties to extend the Contract and as such, Cabinet approval is not contractually required.
- 1.4 However, due to the value of the extension (see further below) the Strategic Head of Service (Legal and Democratic Governance) considered it appropriate for the Cabinet to be sighted on the extension to ensure good practice and governance in line with the Council's Constitution.

**2. BACKGROUND**

- 2.1 The Contract commenced on 29 September 2017 and was due to expire on 30 September 2020 unless extended in accordance with clause 2.3 of the Contract.
- 2.2 Given the nature of the service this is a market place with only a small number of suppliers. In advance of entering into the Contract in 2017 the Council complied with its procurement obligations by conducting soft market testing, advertising the opportunity in the Official Journal of the European Union ("OJEU"), and issuing a VEAT notice in the OJEU before commencing negotiations directly with the service provider.
- 2.3 The Contract entered into at the time was for 3 years with a value of £2,100,749.
- 2.4 Clause 2.3 of the Contract provides that the parties can extend the Contract on any number of occasions, up to the maximum extension period of further 8 years, provided that the Contract's total term does not exceed 11 years.
- 2.5 The Contract has been extended by 8 years in line with Clause 2.3. The value of the extension is £12,899,251, meaning the total value of the Contract is now £15 million. The Council's Constitution provides that Cabinet approval should be sought for any contracts that have a value in excess of £10 million. Although the extension is not a new contract requiring Cabinet approval, given the value of the extension it is prudent for Cabinet to be sighted on it.

- 2.6 The need and benefit of having a longer term extension period of the Contract and committing to it in “one go” (i.e. not breaking it down into say 4 extensions of 2 years each) is to facilitate the investment by the service provider in a digital scanner for the provision of services.
- 2.7 The cost associated with the 8 year extension (£12m) was, and is, only an estimate on maximum values. This was in part based on indicative pricing from bidders for the tender exercise for the 2017 contract on which the Council made a “non-award” decision due to all options being cost prohibitive.
- 2.8 The £12m estimate is the maximum costs envelope for the Contract, and working with the Trust the Council will endeavour to ensure that the actual cost of the Contract is as close to current annual spend as possible (see further below).
- 2.9 Due to the nature of the service, these figures will always be estimates as we never know how many deaths we will encounter each year. Sadly the costs incurred in 2020 are likely to be considerably higher than previous years because of the excess and Covid related deaths that have occurred during the year.
- 2.10 The estimated values have come from the OJEU notice that was published 4 years ago, based on estimates of volumes at the time, and could not be changed for the purpose of the extension of the contract despite the realisation over the last 3 years that the spend is considerably lower per annum.
- 2.11 Below sets out the spend to date (this spend is across all three authorities and not just Stockport Metropolitan Borough Council) which may assist the above explanation:-

| 2017     | 2018     | 2019     |
|----------|----------|----------|
| £978,557 | £766,488 | £819,772 |

### **3. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 3.1 The financial value of the extension of the Contract is provided for within the Council’s Budget. The modification form to ensure that the extension complies with the Council’s Contract Procedure Rules has been approved by the Finance SRO and the Legal SRO.

### **4. LEGAL CONSIDERATIONS**

- 4.1 As referred to above the extension of the Contract is provided for within the original Contract and the modification form seeking confirmation that the extension complies with the Council’s Contract Procedure Rules has been approved by the Finance SRO and the Legal SRO

### **5. HUMAN RESOURCES IMPACT**

- 5.1 None

### **6. EQUALITIES IMPACT**

6.1 None

## **7. ENVIRONMENTAL IMPACT**

7.1 None

## **8. CONCLUSIONS AND RECOMMENDATIONS**

8.1 That the report be noted and the extension approved by the Cabinet due to its potential financial value across the 8 year extension term.

## **BACKGROUND PAPERS**

There are none.

Anyone wishing to inspect the above background papers or requiring further information should contact Vicki Bates on Tel: 0161 474 3219 or by email on [vicki.bates@stockport.gov.uk](mailto:vicki.bates@stockport.gov.uk)