

Report to:	Audit and Governance Committee	Date of Meeting:	Wednesday 13 December 2023
Subject:	Procurement – National Procurement Policy and Contract Procedure Rules		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

This report presents:

1. updates on national policy direction
2. a refresh of the Contract Procedure Rules for consideration and approval

Recommendation(s):

Committee is asked to

- (1) Consider and approve draft Contract Procedure Rules at Annex A
- (2) Note that a full rewrite of the Contract Procure Rules will take place once the updated national guidance is published, and a further report will be presented for consideration.

Reasons for the Recommendation(s):

A refresh of the Contract Procedure Rules is presented (Annex A) to Audit and Governance for consideration and approval. Once national changes are published there will be a full rewrite of the Contract Procedure Rules.

Alternative Options Considered and Rejected: (including any Risk Implications)

NA

What will it cost and how will it be financed?

(A) Revenue Costs

There are no direct revenue implications associated with the recommendations within this report.

(B) Capital Costs

There are no direct capital implications associated with the recommendations within this report.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): There are no direct resource implications associated with the recommendations within this report.</p> <p>It is to be noted that the resource implications associated with the new Procurement Act are anticipated to be significant but will not be fully understood until the relevant guidance is published.</p>									
<p>Legal Implications:</p> <p>The Procurement Bill received Royal Assent on 26th October - officially making the Bill into an Act of Parliament.</p>									
<p>Equality Implications:</p> <p>There are no equality implications associated with this report.</p>									
<p>Impact on Children and Young People: No</p> <p>Neutral impact. The content of this report is an propose a refresh to existing Contract Procedure Rules for consideration update. Individual procurement exercises will consider the impact on children and young people. As a Corporate Parent the Council will seek to ensure that social value opportunities are maximised for care experienced young people through its procurement activity.</p>									
<p>Climate Emergency Implications:</p> <p>The recommendations within this report will</p> <table border="1"> <tr> <td>Have a positive impact</td> <td>No</td> </tr> <tr> <td>Have a neutral impact</td> <td>Yes</td> </tr> <tr> <td>Have a negative impact</td> <td>No</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>Yes</td> </tr> </table> <p>Neutral impact. The content of this report is an propose a refresh to existing Contract Procedure Rules for consideration update. Individual procurement exercises will consider Climate Emergency implications.</p>		Have a positive impact	No	Have a neutral impact	Yes	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
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Contribution to the Council's Core Purpose:

Protect the most vulnerable: The Council can use procurement activity as a tool to ensure quality services are available to support the most vulnerable children and adults. Procurement supports a of range of activity to enable vulnerable people to live independently and live the lives they wish to live.
Facilitate confident and resilient communities: Procurement enables a range of activity and services aimed to empower people to become more independent and contribute and engage in their local communities, thereby improving confidence and resilience.
Commission, broker and provide core services: The procurement process supports the Council in securing the best value for money and delivering wider economic, social and energy benefits.
Place – leadership and influencer: The Council can use procurement activity to boost jobs, growth and investment, and to create an economy that is more innovative, resource and energy efficient, and socially-inclusive.
Drivers of change and reform: The Procurement team develop policy and enable the implementation of effective procurement strategies, which support the Council, Commissioners and individual services in making effective sourcing and procurement decisions that can support the delivery change and reform.
Facilitate sustainable economic prosperity: The Council can use procurement activity as a tool to boost jobs, growth and investment, and to create an economy that is more innovative, resource and energy efficient, and socially inclusive.
Greater income for social investment: Procurement activity supports a range of projects driving change and innovation; with a focus on achieving value for money, compliance, ethical procurement and social value.
Cleaner Greener Procurement activity enables a range of projects driving change and innovation; with a focus on minimising the impact of climate change.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7435/23.....) and the Chief Legal and Democratic Officer (LD.5535/23....) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

NA

Implementation Date for the Decision

Immediately following the Committee meeting.

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Appendices:

Appendix A Draft Contract Procedure Rules

Background Papers:

There are no background papers available for inspection.

1. Context

- 1.1 In December 2020 Cabinet Office issued the ‘Transforming Public Procurement’ report for consultation. In June 2021 new guidance was published that says job creation, investment in skills and opportunities for local growth should be taken into account by councils and other public bodies when awarding public contracts.
- 1.2 The new guidance, issued to officials in local councils, central government, NHS trusts, police forces and other public organisations, says that the wider benefits of spending public money should be factored into the procurement process.
- 1.3 The Procurement Bill received Royal Assent on 26th October 2023. The Government has indicated that the new procurement regime will go live in October 2024. The Government is planning for the necessary secondary legislation to be laid in Parliament in early 2024, and it is anticipated that the new regulations will come into effect from October 2024 after a six month preparation period.

The Government will shortly be publishing further guidance and communications materials to support stakeholders, and in December will be launching the first L&D product; the Knowledge Drops.

Further guidance and training will continue to be published through the next 12 months. All materials will be accessible from the Transforming Public Procurement webpages on [Gov.uk](https://www.gov.uk)

- 1.4 National changes to procurement thresholds will come into effect from January 2024. The threshold for Light Regime services has not changed.

A summary of the main thresholds is below, with the 2022-2023 thresholds (which will remain in effect until 31 December 2023) shown in italic text by way of comparison:

Type of authority	Type of contract			
	Works	Supplies & services	Light Touch Regime Services	Concessions Works and service
Central government bodies	£5,372,609 <i>£5,336,937*</i>	£139,688 <i>£138,760*</i>	£663,540 <i>£663,540*</i>	£5,372,609 <i>£5,336,937*</i>
Sub-central	£5,372,609	£214,904	£663,540	£5,372,609

authorities	£5,336,937*	£213,477*	£663,540*	£5,336,937*
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There are also changes to the thresholds for Utilities, with the threshold for contracts for supplies and services changing from £426,995 to £429,809 and the threshold for works changing from £5,336,937 to £5,372,609.

1.5 Officers have reviewed and updated the draft Contract Procedure Rules for consideration. The proposed changes include

- a) guidance to Officers completing the Risk Assessment form as to the circumstances in which financial checks should be requested.
- b) the need for a loan agreement between the Council and one of its wholly owned companies be sealed where it meets the financial threshold whereby a contract would be sealed.

2. Contract Procedure Rules

2.1 In light of the above a refresh of the current Contract Procure Rules (CPRs) is presented at Appendix A for consideration and approval.

2.2 Members should be aware that a full rewrite of these will be required in due course to reflect legislative changes.