

Meeting of the Audit and Standards Committee - 25th September 2023

Joint Report of the Director of Digital, Customer and Commercial Services and the Monitoring Officer

Update to the Contract Standing Orders in the Council's Constitution

Purpose of report

1. To seek approval for the updates and changes proposed by the Head of Procurement to the Council's Contract Standing Orders.

Recommendations

2. It is recommended:-
 - Authorise the Lead for Law and Governance to adopt the revised Contract Standing Orders into the Constitution with effect from 26th September 2023.

Background

3. By law, the Council is required to make standing orders with respect to Contracts for the supply of goods or services or for the execution of works which provide for securing competition and regulation of the manner in which tenders are invited.
4. The Council is a Contracting Authority for the purposes of the Public Procurement Legislation, and is thereby legally bound to comply with certain practices and procedures in the award of Contracts.
5. The current Contract Standing Orders were last updated in 2019 and require changes to ensure they remain in line with Public Procurement Legislation and are up to date.

Summary of Changes

6.
 - Update to £values in line with legislative and statutory changes
 - To simplify the text to ensure compliance with the Exemptions is made as easy as possible
 - Drive down administration whilst ensuring compliance by simplifying and updating the Exemptions
 - Some minor corrections
 - These changes are not driving up costs or driving down compliance

Future Reporting

7.
 - In the next 12-18 months a wider review of the Contract Standing Orders will be conducted by Procurement
 - This will take place once the Procurement Bill is enacted (expected Oct 2024) which will be the most significant change to the Public Contract Regulations since 2015
 - The exemptions will be amended by procurement, as per the Procurement Bill, to ensure continued compliance with legislation
 - Contract Management will feature more evidently in the Contract Standing Orders (Procurement are rolling out a Contract Management framework this quarter)
 - The Government are expected to (but may not) provide further guidance on Adult Social Care contracts to provide clarity around the current conflict between patient choice and competitive tendering.

Finance

8. Adherence to the Contract Standing Orders and Procurement Code provides greater oversight of expenditure and means there is less likely to be off contract spend with suppliers that has not gone through a competitive process and as such does not demonstrate value for money. These updates should aid compliance.

Law

9. There is a requirement to ensure all 3rd party expenditure is procured within the legal framework of the Public Contract Regulations 2015 and the Contract Standing Orders.

Risk Management

10. Failure of Council Officers to comply with the Procurement Code and Contract Standing Orders could lead to greater risk of procurement challenge and/or fraud.

Equality Impact

11. No equality impacts have been identified.

Human Resources/Organisational Development

12. The Procurement team will continue to train and inform Council officers of the requirements under the Procurement Code and Contract Standing Orders.

Commercial/Procurement

13. This report is in relation to future procurement arrangements, details of which are set out in the background and associated appendix.

Environment/Climate Change

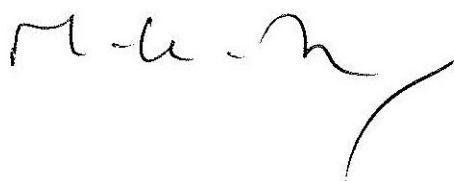
14. No environment/climate change impacts have been identified.

Council Priorities and Projects

15. The information contained within this report supports the Future Council Programme as the Council aims for financial sustainability and looks to strengthen governance processes to take informed and transparent decisions.

Luisa Fulci

Director of Digital, Customer and Commercial Services



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Appendices

- Appendix One – Contract Standing Orders Updated 2023
- Appendix Two - Presentation



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