

Audit and Governance Committee



Date of meeting:	23 March 2020
Title of Report:	Contract Standing Orders - Procurement
Lead Member:	Councillor Chris Penberthy (Cabinet Member for Housing and Co-operative Development)
Lead Strategic Director:	Andrew Hardingham (Service Director for Finance)
Author:	Philip Symons
Contact Email:	Philip.symons@plymouth.gov.uk
Your Reference:	PSY10032020
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report seeks consideration of approval to proposed changes to the Contract Standing Orders as set out in the supporting documents, so that they are relevant and fit for purpose.

Inclusive of a format change; making the document concise. It is our hope that this will assist in their compliance and increase client awareness of the details within each section.

Recommendations and Reasons

1. That the committee approve the updated Procurement Contract Standing Orders as set out in Appendix A.
2. That the Procedural Notes are accepted within the Approved Governance Documents section listed within the constitution as supporting documents.
3. That the committee provide delegated authority to the Section 151 officer to make minor changes in regards to the references to "OJEU" and "OJEU Threshold" if and when this changes as part of the Brexit negotiations due to conclude at the end of 2020. This is due to the fact that this links to EU regulations that the Council may or may not be subject to pending the decisions that will be made by Central Government.

The Contract Standing Orders (CSOs) govern how the Council undertakes tendering and contracting with third party suppliers and are a formal part of the Council's wider governance, i.e. the Constitution.

The proposed changes to the Contract Standing Orders follows a full review and overhaul of the previous Contract Standing Orders which has included engagement with key stakeholders who operate under the current CSOs. Primary the changes include:

- i. Optimising efficiencies through streamlining authorisation arrangements proportional to risk
- ii. Rationalising the layout and structure of the documents to aid clarity
- iii. Strengthening details around expectations on how specific matters are to be dealt with
- iv. Updating to take into account the changing shape of modern day local government

The aims of the updates proposed are to aid the Council in the delivery of efficient and effective procurement arrangements in a manner that also supports necessary probity and accountability in how the Council spends public monies.

Alternative options considered and rejected

The proposals put forward are a significant change in both the formal and structure but also the approaches that would be applied. The work in development of the CSOs has been informed from approaches applied elsewhere, take into account views from officers who apply the current CSOs, and input from key internal stakeholders, including, Service Director, Legal Services, Finance, Audit and staff within the Service. As such the proposals with this report are deemed fit for purpose for the future needs of the Council.

It is noted that options other than recommending for approval are available, in particular these would be to propose relevant changes with relevant grounds for those changes or indeed to reject the proposed approach providing with clear grounds and reasons why. Please note that 'no change' is not an option and in the event of either of the above circumstances then clear direction should be provided to enable necessary adjustments to be carried out.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Contract Standing Orders will form a fundamental governance framework in supporting the efficient and effective delivery of how the Council advances successful delivery of the Plan. The CSOs set out the expected standards and overall governance for all contract that are let on behalf of the Council with the specific aims of them being lawful as well as delivering value for money in how the Council commercially contracts.

In addition the CSO and integral supporting documents such as the Social Value Policy provide a robust policy framework to support expectations around economic growth, social wellbeing and environmental matters.

Implications for the Medium Term Financial Plan and Resource Implications:

The Contract Standing Orders and integral supporting documents will provide a robust governance framework to assist the delivery of best value in how the Council contracts with third party suppliers and provide a sound platform for the resulting delivery of those contracts.

As this is a fundamental change there will be the need to undertake necessary communications and training to staff and members around the changes and how best to ensure that the CSOs are complied with. These cost would be covered within existing resource / budgets.

Carbon Footprint (Environmental) Implications:

The outcomes from the recommendation of the Policies methods will attribute initiate: Specific tenders themselves will take into account implications around things like: carbon footprint, green spaces, environmental policies and the climate emergency.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Core implications and risks associated directly with this report are that the proposed changes either are not adhered to or followed as intended. The risks of not adopting the changes are:

- Potential non-compliant activity with the Public Contract Regulations 2015
- Restricting future efficient and effective means to contracting with third party suppliers

- Not taking the opportunity to streamline current processes and procedures to make them more proportional around activities required to risks presented

As noted the CSOs are intended to provide the robust commercial governance to how the Council undertakes contracting, so approval of the CSOs themselves will provide a framework for how tendering is done. Specific tenders themselves will take into account implications around things like:

- Child Poverty
- Community Safety
- Health and Safety
- Risk Management

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Contract Standing Orders – Procurement (Inc. Appendices)							
B	CSO Submission – Track Change info							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
n/a							

Sign off:

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Originating Senior Leadership Team member: Andrew Hardingham											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 11/03/2020											
Cabinet Member approval: Councillor Chris Penberthy by email Date approved: 13/03/2020											