

Report to Council

Subject: Approval of the new Contract and Procurement Rules

Date: 18 September 2024

Author: Assistant Director - Governance and Democracy

Purpose

For Council to approve the newly re-written version of the Contract and Procurement Rules as contained at section 22 of the Gedling Borough Council Constitution.

Recommendation(s)

THAT:

- 1) Council approves the new version of the Contract and Procurement Rules at Appendix 1 for implementation into the Constitution on 28th October 2024.**

1 Background

- 1.1 The Procurement Act 2023 (the “Act”) received royal assent on 26th October 2023 and although some parts of the Act are in force now, the whole Act is due to come into force on 28th October 2023.
- 1.2 The Act introduces a number of changes to how public bodies are required to undertake procurement and provides a framework for compliant procurement of all goods, services and works by or on behalf of the Council.
- 1.3 The newly drafted Contract and Procurement Rules (the “Rules”) have been drafted by the Monitoring Officer and Deputy Monitoring Officer in consultation with the Section 151 Officer.
- 1.4 The newly drafted Rules introduce a number of changes including requiring officers to consider Social Value in procurement as introduced by the Public Services (Social Value) Act 2012, contract management requirements including KPI and service delivery requirements for contractors. These changes will ensure contracts achieve the greatest benefit to the Council at the outset of contracting whilst ensuring continued benefit is delivered with effective contract management.

- 1.5 More flexibility has been drafted into the Rules by permitting different types of procurement, expanding on the usual open market procurement there is now an option for officers to develop their own method of procurement creating more flexibility and better procuring options. This will significantly benefit some of the more complex procurement the Council undertakes producing better outcomes and value for money.
- 1.6 There have been some minor changes made to the thresholds for contracting with the introduction of a Light Touch Request for Quotation (LTRFQ), which enables officers to engage more with small to medium sized enterprises within the borough, which is a strong theme of the new Procurement Act.
- 1.7 A more streamlined method of direct awarding a contract in exceptional circumstances has been introduced which hopefully will aid officers in applying an exception for awarding contracts.
- 1.8 Consultation has been carried out with Senior Leadership Team to establish whether the Rules enable efficient procurement of goods, services and works.

2 Proposal

- 2.1 It is proposed that Council approves the updated Contract and Procurement Rules at Appendix 1 to this report for implementation on 28th October 2024 to bring the rules in alignment with the Procurement Act 2023.
- 2.2 Following on from approval, it is proposed that training in relation to the new Rules is provided to officers.

3 Alternative Options

- 3.1 Members could determine not to approve the amended Contract and Procurement Rules; however the changes have been made as a consequence of a change of legislation with the introduction of the Procurement Act 2023.
- 3.2 The Contract and Procurement Rules have been amended as part of a working group involving the Monitoring Officer, the Deputy Monitoring Officer and the Section 151 Officer. The Rules have been consulted on by Senior Leadership Team before they were finalised.

4 Financial Implications

- 4.1 There are no direct financial implications associated with this report. The new Rules set out compliant means of managing contracts that are likely to have a positive impact on the Councils finances.

5 Legal Implications

- 5.1 The Procurement Act 2023 makes changes to the way public bodies undertake procurement of goods, services and works. These changes need to be reflected within Gedling Borough Council's arrangements for dealing with procurement. Section 135 of the Local Government Act 1972 requires the Council to have in place standing orders with respect to the making by them or on their behalf contracts for the supply of goods or materials or for the execution of works.
- 5.2 The Local Government Act 2000 requires a local authority to prepare and keep up to date its constitution. The changes to the Contract and Procurement Rules are primarily as a consequence of changes to the legalisation however, in other areas the changes have been made to streamline and allow more effective contract procurement and management.

6 Equalities Implications

- 6.1 The Contract and Procurement Rules form part of the constitution which is in a format compatible with the Web Content Accessibility Guidelines, an internationally recognised set of recommendations for improving web accessibility.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 There are no direct implications as a result of this report. However, social value now forms part of the Contract and Procurement Rules as introduced by the Public Services (Social Value) Act 2012. Under these principles the environmental wellbeing of the area is a primary consideration and so will have indirect benefit in this area.

8 Appendices

- 8.1 Appendix 1: The new Contract and Procurement Rules.

9 Background Papers

- 9.1 None identified.

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer