

Report of Head of Legal Services

Constitution Changes: Standing Orders for the Regulation of Contracts

Purpose of report

1. To propose amendments to the Standing Orders for the Regulation of Contracts to give effect to the Public Contract Regulations 2015 and to reflect more accurately current practice.
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Recommendations

It is recommended that the amended Standing Orders for the Regulation of Contracts as attached at Appendix 1 of this report be referred to the Authority for approval.

Introduction and Background

2. The Constitution follows the model form for local authorities and will be broadly familiar to Members from elsewhere and is available to all Members and the public on the Authority's website. The documents that comprise the Constitution are subject to on-going review to ensure that they remain fit for purpose and reflect current legislation and governance practices.
3. The Standing Orders for the Regulation of Contracts are a key part of the Authority's Constitution and set out the procurement process that must be followed by the Authority to ensure proper governance when seeking to award a contract. The Standing Orders set out the requirements when seeking quotations or tenders for contracts, the mechanisms required in the procurement process and circumstances where exceptions to the requirements can be made.

Public Contract Regulations (PCR) 2015

4. The PCR 2015 built on the well-established principles governing public procurement, for example by increasing the type of procurement procedures available to public authorities for awarding contracts above EU thresholds, reducing timescales involved in procurement processes and an obligation on the part of public authorities to make procurement documents available electronically.
5. The vast majority of contracts awarded by the Authority are below the EU thresholds (currently £181,302 for supplies and services or £4,551,413 for building works) where many of the requirements in the PCR 2015 do not

apply. However, there are still some rules with regards to those contracts over £25,000 but below the EU thresholds that must be followed, such as the requirement for public authorities to publish contract opportunities on the Government's Contracts Finder website.

6. The Authority's Standing Orders for the Regulation of Contracts have been amended to take into account the updated changes in procurement practice that have been developed since the PCR 2015 came into effect. The amended Standing Orders aim to further strengthen the governance arrangements with regards to procurement and also align with the additional obligations of the Authority with regards to transparency e.g. the Local Government (Transparency Requirements)(England) Regulations 2015 and the Openness of Public Bodies Regulations 2014.

Conclusion/Summary

7. The Authority's Standing Orders for the Regulation of Contracts have recently been reviewed and amended to reflect changes to public procurement required by the PCR 2015 and the subsequent development in procurement practice. The amended draft Standing Orders are attached at Appendix 1 for consideration and it is recommended that the Authority approve the amended draft.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	No additional resources required.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Yes. Ensuring effective governance arrangements for the Authority is part of 'Our Strategy.'
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	There are no risks associated with the amended draft, however should the proposed draft not be approved there would be a risk that the Authority's governance arrangements would be less robust as a result.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	An Equalities Impact Assessment has not been completed as this is not a policy directly affecting the communities. However, the PCR 2015 which are reflected within the proposed draft include provisions from the Lord Young reforms which aim to reduce the burdens on small businesses and help them win more contracts.

Supporting Information

Appendix 1 – draft Standing Orders for the Regulation of Contracts

Background papers:

Hereford & Worcester Fire Authority Constitution

Public Contracts Regulations 2015

Local Government (Transparency Requirements)(England) Regulations 2015

Openness of Public Bodies Regulations 2014

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