

**Agenda Item No: 9.6**

**Report No: 6/16**

**Report Title: Contract Procedure Rules**

**Report To: Cabinet**

**Date: 7 January 2016**

**Cabinet Member: Cllr Bill Giles**

**Ward(s) Affected: All**

**Report By: Alan Osborne, Director Corporate Services**

**Contact Officer(s)-**

**Name(s): Catherine Knight**  
**Post Title(s): Asst Director Corporate Services**  
**E-mail(s): [catherine.knight@lewes.gov.uk](mailto:catherine.knight@lewes.gov.uk)**  
**Tel No(s): 1116**

---

**Purpose of Report:**

To seek approval for revised Contract Procedure Rules.

**Officers Recommendation(s):**

- 1 That Cabinet recommend the revised Contract Procedure Rules set out at Appendix 1 for approval by Council.

---

**Reasons for Recommendations**

- 1 (i) To reflect the Public Contract Regulations 2015 which came into force earlier this year.
- (ii) To achieve a standard set of Contract Procedure rules for Lewes District Council and Eastbourne Borough Council.

**Information**

**2**

Public Contract Regulations 2015

- 2.1 Contract procedure rules (CPRs) form part of the council's constitution and determine how officers contract with external bodies. The CPRs ensure lawfulness and best practice in terms of the procurement of

services, supplies or works. Clear and up-to-date CPRs play a key role in ensuring that best value is achieved for the authority and that the Council is not exposed to risk.

- 2.2** Local authority procurement is an evolving area which is subject to scrutiny and challenge. The current CPRs were approved in 2009 and need to be revised now to ensure they reflect current law, best practice and the environment in which the council is now operating.
- 2.3** The Public Contracts Regulations 2015 (PCR 2015) implement the 2014 EU Public Sector Procurement Directive and a range of other reforms. They largely apply to public contracts that exceed certain value thresholds.
- 2.4** The PCR 2015 outline a number of standard procurement procedures for public bodies to follow. They also mandate the use of Government portals such as Contracts Finder for the advertising of certain contracts and place greater emphasis on electronic availability of procurement documents.
- 2.5** As is the case with previous public contracts regulations, there are a number of exemptions and exceptions defined within the PCR 2015 which contracting authorities may choose to exercise, with appropriate care and legal advice.
- 2.6** The revised CPRs reflect important changes contained within the PCR 2015.

#### Standardisation of CPRs

- 2.7** Lewes District Council is already sharing a range of services with Eastbourne Borough Council (EBC) in addition to shared senior management roles, and in October 2015 the Cabinets of both councils approved the outline business case for wider integration of services and workforces.
- 2.8** It is clear that the future will entail staff working across multiple organisations to deliver shared and closely integrated services. It is therefore important that staff can work to a set of common policies, rules and procedures in key areas, and therefore the revised CPRs will be put forward for adoption by both LDC and EBC. An equivalent report to this one was considered by EBC Audit & Governance Committee on 2 December 2015 and by their Cabinet on 9 December 2015. Both bodies resolved to recommend the revised CPRs, as drafted in Appendix 1 of this report (with the exception of rule 18.1A, which applies solely to LDC), for approval by EBC's full Council.

#### Modernisation of CPRs

- 2.9** In order to respond effectively to the economic constraints facing local authorities, and to continue to deliver a wide range of statutory and non-

statutory services, the council needs to become more modern, agile and entrepreneurial, as well as working more effectively in partnership.

- 2.10** Our CPRs are a key enabler of this modern approach, and aspects of the current rules are now out of step with the way we need to do business. The PCR 2015 encourage a more electronic approach to procurement and this, amongst other changes, is reflected in the revised rules.

### Summary of Revisions

- 2.11** The full revised CPRs are attached as Appendix 1. Key changes include:

- Simplification and standardisation of the contract value thresholds that determine the approach taken to procurement. The summary of thresholds and procedures required is outlined in section 6 of the CPRs. The new rules include a higher threshold for low value procurements for which no specified number of quotes is required, with provisions to ensure accountability for any direct awards of lower value contracts.
- Updating the rules around advertising contracts to reflect the requirements of PCR 2015. These are outlined in section 7 of the CPRs.
- A 'digital by default' approach to tendering, meaning that tenders will be advertised online and responses will be submitted via an electronic tendering system, thus removing the outdated need for hard copies to be submitted and recorded in a tender opening book.
- Clear rules stating that disposal of land via sale or lease must only happen after auction, invitation of tenders or expressions of interest following public advertisement, in at least one newspaper circulating in the District, unless specifically authorised by Cabinet.

- 2.12** The CPRs form a key part of EBC's constitution, and therefore must be approved by full Council before coming into effect. Therefore, Cabinet is asked to recommend the revised CPRs for approval by full Council in February 2016.

## **Financial Appraisal**

- 3** The recommendation made in this report has no direct financial implications for the Council. The revised CPRs will modernise the Council's procedures for procuring goods and services and disposing of assets, while continuing to ensure that value for money is achieved.

## **Legal Implications**

- 4** The council's legal team has drafted the revised CPRs and are compliant with EU law, including the new PCR 2015.

The CPRs form an important part of the council's constitution. Changes of substance to the constitution may only be approved by the full Council after consideration of the proposal, where appropriate, by the Audit and Standards Committee. This Committee is due to consider the revised CPRs on 25 January 2016.

### **Risk Management Implications**

- 5 Up to date and robust contract procedure rules are an important element of council governance against a background of compliance with European procurement rules and achieving value for money in all contracts let.

### **Equality Screening**

- 6 There are no equality implications associated with this report.

### **Background Papers**

- 7 Public Contract Regulations 2015

### **Appendices**

- 8 Appendix 1: Revised Contract Procedure Rules.