

**Teignbridge District Council
Audit Scrutiny Committee
13th February 2025**

Review of Contract Procedure Rules

Purpose of Report

To review the Contract Procedure Rules in line with the release of The Procurement Act 2023.

Recommendation(s)

The Committee RECOMMENDS to Council that:

- (1) the council approves the revised Contract Procedure Rules 2025 to recognise changes to procurement legislation.

Financial Implications

Complying with the mandatory 10% social value weighting for all procurements over £100,000 could affect the prices we receive. However, the volume of bids may mitigate final prices submitted and the weighting in the evaluation is often in favour of price.

Martin Flitcroft – Director of Corporate Services

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Legal Implications

The revised Contract Procedure Rules ensure controls are in place to meet the requirements of The Procurement Act 2023.

Only contracts outside of The Councils standard terms, framework terms or any standard works contracts (e.g. NEC/JCT) shall be reviewed by The Monitoring Officer.

Paul Woodhead – Head of Legal and MO

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Risk Assessment

The key risks associated with the changes to Procurement activity include:

- an increased administrative burden. Mitigated by the use of procurement champions.

- public procurement contains complex legislation and procedures increasing the risk of non-compliance. Mitigated by training and briefing sessions along with internal audit review.
- Increased risk of challenge from suppliers. Mitigated by meet the buyer days and effective tender documentation and evaluation processes.
- The use of procurement champions, whilst helpful, could introduce compliance and capacity risks. Mitigation is ongoing. Briefings and ability of The Procurement Officer to routinely assess procurement activity on a risk basis. Internal audit review.

Rosanna Wilson – Procurement Officer
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Environmental/ Climate Change Implications

The advent of mandated social value within procurements increases the opportunity to encourage and assess environmental benefits, utilising the experience and professionalism of the councils' Climate Change Officer for all procurements over The Procurement Act threshold and on selective procurements where relevant.

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Executive Member

Cllr John Parrott – Executive Member for Finance & Corporate

Appendices/Background Papers

Contract Procedure Rules

1. Introduction/Background

The Public Contracts Regulations 2015 and The Public Contracts Directive 2014 are being replaced by The Procurement Act 2023. The objectives under the new act are:

- Delivering value for money
- Maximising public benefit
- Sharing information
- Acting with integrity

Because the regulations have been overhauled, there is an opportunity to update our own internal Contract Procedure Rules. These rules sit under The Procurement Act 2023 and it is our duty to incorporate The Acts objectives within our lower value/below threshold procurements.

2. How were the changes developed?

Benchmarking was used with authorities who have already overhauled their internal contract procedure rules namely Somerset County Council and Torbay Council. A guidance document was also referred to <https://llg.org.uk/news/blog-friday-8th-november-2024-anthony-collins-corporate-partner/> along with The Procurement Act 2023 guidance documents.

3. Key Changes

- We already have an approved signatory list for signing off procurements. It is our intention to add values to this to create a transparent and accountable scheme of delegation.
- We have introduced a memorandum of understanding for all procurements that Teignbridge District Council lead on behalf of other authorities (not including South Hams and West Devon Councils as these are covered by the procurement shared service).
- Officers will complete the procurement pipeline drawing on a range of business intelligence to support a council wide procurement plan covering a minimum 18-month lead in time.
- A 10% social value weighting for all procurements over £100,000
- The Climate Change Officer to be consulted on all procurements above The Procurement Act 2023 threshold (i.e. £214k for goods and services and £4.3m for works) and other procurements where relevant.
- An increase of the lowest value threshold from £20,000 to £30,000 in line with reporting requirements under The Procurement Act 2023
- More emphasis on local spend
- Pricing will be redacted by The Procurement Officer for all procurements above The Procurement Act 2023 threshold and shared with officers during the moderation
- The standstill period has changed from 10 calendar days to 8 working days

- More emphasis on contract management and early market engagement
- Increasing delegation to the Procurement Champions due to the increasing demands from The Procurement Act 2023
- Greater transparency around conflicts of interest declarations
- Language updated to reflect The Procurement Act 2023
- Justifications for exemptions (waivers) have changed from: -
 - Life or Death
 - Increased Cost / Loss of Income
 - Limited Markets
 - Urgent Action Required

To: -

- Limited Markets
- Urgent Action Required (Unforeseen)
- Legislation Prevents a Procurement Process Being Followed
- Patents
- Increased Costs/Loss of Income
- Additional Goods/Services
- Advantageous Terms on Insolvency

4. Implications, Risk Management and Climate Change Impact

4.1 Financial

- Introducing a mandatory 10% social value weighting for all procurements over £100,000 could affect the prices we receive. However, a majority of the time, the price takes precedence over the quality within a tender submission

4.2 Legal

- Updating these Contract Procedure Rules means that we will be adhering to The Procurement Act 2023

4.3 Risks

- Increased delegation to Procurement Champions could mean that the procurement regime is less controlled, however, a facility is built into the procurement portal to enable The Procurement Officer to view and approve procurements over £30,000.
- The new contract management system will mean better control of contracts. However, we must ensure that contract managers are

updated in the system (e.g. leavers replaced with new contract managers) to ensure the process remains robust. Procurement are currently in discussions with HR about how we can include this in the leaver forms.

4.4 Environmental/Climate Change Impact

- Adding a mandatory 10% social value weighting to all procurements above £100,000 means that we can evaluate environmental issues as environmental variables sit under the umbrella of Social Value
- Consulting The Climate Change Officer for all procurements over The Procurement Act 2023 threshold

4. Alternative Options

There is no alternative option. If we do not update our contract procedure rules we will not be following the new procurement legislation.

5. Conclusion

It is recommended that The Council approves the new iteration of The Contract Procedure Rules that reflects new procurement legislation.

6. Appendices

Appendix A – 2021 Contract Procedure Rules

Appendix B – 2025 Contract Procedure Rules