

REPORT TO	ON
Council	27 September 2017

September 2017



TITLE	REPORT OF
Review of Constitution – Contract Procedure Rules & Key Decisions	Interim Monitoring Officer

Is this report confidential?	No
------------------------------	----

1. PURPOSE OF THE REPORT

At their meeting on the 13 September 2017 Members of the Governance Committee considered the attached report in relation to the Council’s Contract Procedure Rules and the review of the financial threshold of key decisions undertaken by the Cabinet. All amendments to the Constitution require full Council approval.

2. RECOMMENDATIONS

2.1 That Council approves the draft Contract Procedure Rules at Appendix A, and determine whether to increase the proposed low value procurement threshold to £20,000

2.2 That Council approves the proposed increase to the current financial threshold of £100,000 for key decisions undertaken by the Cabinet

4. CORPORATE PRIORITIES

The report relates to the following corporate priorities

Clean, green and safe		Strong and healthy communities	
Strong South Ribble in the heart of prosperous Lancashire		Efficient, effective and exceptional council	√

5. BACKGROUND TO THE REPORT

5.1 The Council’s Contract Procedure Rules are a key part of the Council’s Constitution and deal with the rules, processes and procedures for the procurement of contracts on behalf of the Council with a diverse range of suppliers and contractors. This report seeks a number of changes to update the rules as part of the Council’s full scale review of the Constitution.

6. GOVERNANCE COMMITTEE RECOMMENDATIONS

6.1 Members of the Governance Committee approved the recommendations within the report subject to the provision of further comparators for the proposed increase of the low value procurement threshold from £10,000 to £20,000

6.2 The following neighbouring authorities have the following thresholds:

Council	Threshold
Preston City Council	£20,000
Chorley Borough Council	£10,000
Lancaster City Council	£10,000
West Lancashire Borough Council	£10,000
Rosendale Borough Council	£10,000

6.3 Whilst it is acknowledged that most nearby authorities have a low value threshold of £10,000 nevertheless on balance we consider that it would be sensible to increase this to £20,000. Under our current rules anything over £10,000 in value is treated as procurement of Intermediate Value and hence requires a formal procurement exercise through the Chest. This is considered to be a somewhat excessive and cumbersome exercise for contracts that at times are not much more than £10,000 in value. Further in any event in our amended rules the expectation is that for contracts over £10,000 in value three email quotations would be obtained (if the Chest is not used) – this is considered a reasonable and proportionate requirement.

6.4 The practicalities are such that unless you use the Chest regularly it is not a simple process and currently the procurement team are asked to upload all procurements over £10,000 in value. With only two procurement officers for both CBC and SRBC, this can lead to a delay if there is no one immediately available to check and publish the documents. The provision for emailed quotes up to £20,000 retains a simple and quick competitive process for Authorised Officers, but a more robust sealed bid process will be retained for those procurements above £20,000 with procurement team involvement.

7. WIDER IMPLICATIONS AND BACKGROUND DOCUMENTATION

7.1 Comments of the Statutory Finance Officer

The section 151 Officer has been involved in discussions relating to the proposed changes to the threshold figures and the Principal Procurement Officer was part of the team involved in the review of the CPR's.

7.2 Comments of the Monitoring Officer

All local authorities are required to have a written constitution which must be kept under regular review and publicised. Any amendments to the Constitution require the approval of full Council.

<p>Other implications:</p> <ul style="list-style-type: none"> ▶ Risk ▶ Equality & Diversity ▶ HR & Organisational Development ▶ Property & Asset 	<p>The Contract Procedure Rules form an important part of the Councils assurance framework to ensure good governance and appropriate safeguards when awarding Council Contracts.</p> <p>There are no specific equality or diversity implications arising from this report.</p> <p>There are no specific HR or OD implications arising from this report.</p> <p>There are no specific Property and Asset Management</p>
---	--

<p>Management</p> <p>▶ ICT / Technology</p>	<p>implications arising from this report.</p> <p>There are no specific ICT/ Technology implications arising from this report.</p>
---	---

8. BACKGROUND DOCUMENTS

South Ribble Constitution
 Report to the Governance Committee

SMT Member's Name: Caroline Elwood
Job Title: Interim Governance Manager

Report Author:	Telephone:	Date:
David Whelan Interim Monitoring Officer	01772 625247	September 2017