

Contract Standing Orders - Update



Report to: Full Council

Date: 27 March 2025

Portfolio Holder: Councillor Dan Swords, Leader of the Council

Lead Officer(s): Rebecca Farrant, Monitoring Officer
Daniel Dickinson, Assistant Director – Legal and Democratic Services (Interim)

Executive Summary:

A The Procurement Act 2023 replaces the Public Contracts Regulations 2015. The new legislation requires updates to be made to the council's Contract Standing Orders (CSOs). Whilst a comprehensive review of the constitution, including the CSOs is underway, immediate changes are required to ensure the council is compliant with the new legislation.

Recommended that:

A Full Council approve the updated Contract Standing Orders (CSOs) as set out in Appendix A to this report, for inclusion in the constitution, and delegate to the Monitoring Officer, in consultation with the Leader of the Council, authority to make any necessary minor or consequential amendments to constitution or CSOs to ensure the proper and effective integration/operation of the same.

Reason for decision:

A To comply with the Procurement Act 2023 and its new public procurement regime. This requires an update to the constitution which is a matter reserved to Full Council.

Other Options:

A No other options are available given the requirement to comply with the new legislation. A comprehensive review of the constitution is already underway which will make further and more comprehensive changes to the CSOs.

Background

1. The council's constitution sets out a series of Contract Standing Orders (CSOs), which are the rules that the council must follow when procuring goods or services or acquiring or disposing of interests in land.
2. The Procurement Act 2023, which came into force on 24 February 2025 made several changes to how procurement must be undertaken. As a result, there is an immediate need to update the council's CSOs.
3. A comprehensive review of the constitution, including the CSOs, is underway. However, the new legislation requires changes ahead of the conclusion of the review in order to ensure the council is compliant with the new legislation.

Issues/Proposals

4. On 24th February 2025 the Procurement Act 2023 (PA23) came into force. This replaces the Public Contracts Regulations 2015 (PCR). The key points to note in relation to the changes include: -
 - (a) All values are now inclusive of VAT. This is to align with the requirements of the Government Procurement Agreement that the UK is party to. This requires all contract values advertised to be inclusive of VAT.
 - (b) There is now a higher threshold for contracts that can be awarded following the request for one quotation.
 - (c) The threshold for consultant contracts now aligns with other types of contracts.
 - (d) Contracts for works on leaseholder properties are treated separately to comply with the relevant legislation.
 - (e) The thresholds for fully regulated procurements are the same as under the PCR.
 - (f) There are now additional requirements for below threshold contracts that have a value (inclusive of VAT) of £30,000 and above.
 - (g) There are now only two procedures for above threshold (regulated) procurements: the Open Procedure; and the Competitive Flexible Procedure.
5. The updated CSOs, as set out in Appendix A, ensure that the council is compliant with the new public procurement regime. Some of the terminology in the CSOs has been amended to align with the new senior officer structure and to future proof these CSOs as far as it is possible to do so.

6. All procurement exercises that formally commenced before 24th February 2025, and all contracts already in place, will continue to be governed by the PCR, so there will be a lengthy period of time when both regimes are relevant.

Implications

Equalities and Diversity

There are no direct equality or diversity implications engaged through the adoption of the updated CSOs.

Climate Change

There are no direct climate change implications engaged through the adoption of the updated CSOs.

Finance

The CSOs form an integral part of the council's internal governance control environment. It is critical that they are kept up to date. The recommendation to Full Council ensures that the council will have in place CSOs that capture the requirements of the PA23.

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Governance

As contained in the report.

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Appendices

Appendix A – Updated Contract Standing Orders

Background Papers

None.

Glossary of terms/abbreviations used

PA23 - Procurement Act 2023

CSOs - Contract Standing Orders