NORWICH
City Council

Council

Members of the council are hereby summoned to attend the meeting of the council to be held in the council chamber, City Hall, Norwich, on

Tuesday, 25 February 2025

19:30

Agenda

8	**Updated Financial Regulations** **Purpose -** The financial regulations have been reviewed and updated with reference to the current local government environment, ensuring that they are fit for purpose and reflective of good practice.	**19 - 40**
9	**Updated Contract Procedure Rules** **Purpose -** The Contract Procedure Rules have been reviewed and updated with reference to the new Procurement Act 2023, ensuring that they are fit for purpose and reflective of good practices.	**41 - 94**
10	**Schedule of Norwich City Council Meetings 2025-26** To approve the schedule of meetings for the 2025/26 Civic Year.	**95 - 98**
11	**Motions** To consider motions for which notice has been given in accordance with the council's constitution.	
11(a)	**Motion - Calling on government for urgent chalk stream protections**	**99 - 100**
11(b)	**Motion - Exploring emissions and weight-based parking charges**	**101 - 104**
11(c)	**Motion - Condemnation of Labour's approach to mimicking Reform and its impact on migrant communites**	**105 - 106**
11(d)	**Motion - Local Government Pay**	**107 - 108**

EXEMPT ITEMS:

(During consideration of these items the meeting is not likely to be open to the press and the public.)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12 A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, members are asked to decide whether, in all circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

Page nos

Jan Robinson

Head of Legal and Governance (Monitoring Officer)

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Information for members of the public

Members of the public and the media have the right to attend meetings of full council, the cabinet and committees except where confidential information or exempt information is likely to be disclosed, and the meeting is therefore held in private.

For information about attending or speaking at meetings, please contact the committee officer above or refer to the council's website

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NORWICH City Council

Item 4 **MINUTES**

Budget Council

19:30 to 20:30 **12 February 2025**

Present: Councillors Wright (Deputy Lord Mayor), Ackroyd, Bolton, Caine, Calvert, Carrington, Catt, Champion, Davis, Driver, Fox, Fulton-McAlister, Galvin, Giles, Hampton, Harper, Hoechner, Huntley, Jones, Kendrick, Kidman, Lubbock, Maguire, Oliver, Osborn, Padda, Sands (M), Sands (S), Schmierer, Smith, Stonard, Worley and Young

Apologies: Councillors Thomas (Lord Mayor), Francis, Price, and Prinsley

Absent: Councillors Haynes and Packer

1. Lord Mayor's Announcements

There were no Lord Mayor's announcements.

2. Declarations of Interest

There were no declarations of interest as the Monitoring Officer had granted a general dispensation for members to take part in the debate and vote on the budget.

3. Questions from the public / petitions

There were no questions from the public or petitions.

4. Minutes

RESOLVED to approve the minutes of the meeting held on 21 January 2025.

5. The Council's 2025-2026 Budget and Medium-Term Financial Strategy

Councillor Kendrick moved and Councillor Jones seconded the recommendations as set out in the report.

The below amendment had been received from Councillor Galvin which was accepted by the proposer, and circulated before the meeting:

Budget Amendment Title	**Budget Amendment Description**	**One-off or On-going**	**2025 – 2026 Budget Implication** **£**	**Potential Funding Source**
1. Support Inclusive Norwich Partnership	Project to support inclusiveness for people with disabilities in Norwich.	One-off	70,000	General Reserves
2. Prepare for devolution/local government reorganisation	How to preserve the best of Norwich and work with residents in the proposed area. Third party commissioning to support OBA ongoing feasibility studies for e.g. city hall, marketplace and livestock market, housing, waste collection, recycling in the context of LGR.	One-off initially	250,000	Budget Risk Reserve
3. Sustainable use of Council-owned unused land	The Council has recently mapped Council-owned unused assets/land such as garage sites and found that a significant number of these are unfit for future housing development. These spaces are not currently adding any value to the Council or to Norwich residents. Yet, they provide an opportunity for the Council to work towards realising its priorities of being a future-proof and climate resilient city. There are several ways in which the Council could increase the value of these assets. These include using them for sustainable urban drainage systems,	One-off but with potential longer term implications depending upon the outcomes.	35,000	Feasibility Reserve

Budget Amendment Title	**Budget Amendment Description**	**One-off or On-going**	**2025 – 2026 Budget Implication** **£**	**Potential Funding Source**
	renewable energy generation, biodiversity stepping stones/parklets or micro transport hubs, which would bring improvements to resident wellbeing, improve air quality, enable carbon reductions and capture, enhance wildlife as well as provide potential income opportunities. To ensure that the most appropriate approach is adopted, it is proposed that an initial options study is commissioned and that this is used to inform a business case for transforming unused assets/land in the near future.			

The following amendment was received from Councillor Davis, and had been circulated before the meeting, and had also been accepted by the proposer:

Budget Amendment Title	**Budget Amendment Description**	**One-off or On-going**	**2025 – 2026 Budget Implication** **£**	**Potential Funding Source**
4. Inclusion of a New Jenny Lind Park Toilet Block	New Toilet Block for Park Feedback from park users highlights the lack of accessible toilet facilities, particularly for families, elderly individuals, taxi drivers, council workers and those with disabilities. Improves accessibility and inclusivity. Increases park usage and visitor satisfaction. Encourages healthier lifestyles by supporting outdoor activities. Improves park maintenance form voluntary groups by providing storage and water	One-off capital plus On-going cleaning & maintenance	Capital 100,000 Revenue 30,000 to 60,000	Capital Programme Base Budget Pressure in 2026 -2027

Following debate, it was:

RESOLVED, with all 33 members present voting in favour (Councillors Ackroyd, Bolton, Caine, Calvert, Carrington, Catt, Champion, Davis, Driver, Fox, Fulton-McAlister, Galvin, Giles, Hampton, Harper, Hoechner, Huntley, Jones, Kendrick, Kidman, Lubbock, Maguire, Oliver, Osborn, Padda, Sands (S), Sands (M), Schmierer, Smith, Stonard, Worley, Wright and Young) to:

A) To approve Cabinet's recommendations of 5 February 2025 for the 2025/26 financial year:

General Fund

1) The council's net revenue budget requirement as £20.850 million for the financial year 2025 - 2026 including the budget allocations to services shown in and the growth proposals set out in Section 2.

2) An increase to Norwich City Council's element of the council tax of 2.99%, meaning that that the Band D council tax will be set at £306.11 (Section 2, paragraph 2.11) with the impact of the increase for all bands shown in Section 2, Appendix 2 (D).

3) The prudent minimum level of reserves for the council as £5.5 million (Section 2, paragraph 2.22).

4) Delegation to the chief finance officer (S151 Officer) in consultation with the portfolio holder for an open and modern council inclusion of any minor changes consequent on the final local government settlement or additional grant allocations.

5) Delegate to the chief finance officer (S151 Officer) the approval of technical virements for general fund, housing revenue account and capital budgets, to make budget transfers where there is no underlying change in the budget intention.

Housing Revenue Account

6) The proposed Housing Revenue Account gross expenditure budget of £80.252m and gross income budgets of £83.191m for 2025-2026 (Section 3, paragraph 12).

7) A 2.7% increase in dwelling rents for 2025-2026, in accordance with the government's Rent Standard. This will result in an average weekly rent increase of £2.62 for Norwich social housing tenants (Section 3, paragraphs 13 to 20).

8) That garage rents increase by 2.7%, based on CPI in September 2024 plus 1% (Section 3, paragraph 18).

9) That the setting of tenants' service charges is delegated to the Executive Director of Communities and Housing in consultation with the portfolio holder for Housing

after engagement with tenant representatives (Section 3, paragraph 19)

10) The prudent minimum level of Housing Revenue Account reserves as £5.848m (Section 3, paragraph 36 and table 3.4).

Capital and Commercial Strategy

11) The proposed general fund capital programme 2025-2026 to 2029-2030 (2025-2026: £29.933m; 5 years: £46.947m) and its method of funding as set out in Section 4, table 4.2, table 4.4 and Appendix 4 (B).

12) The proposed HRA capital programme 2025-2026 to 2029-2030 (2025-2026: £37.520m; 5 years: £231.044m) and its method of funding as set out in Section 4, table 4.2, table 4.5 and Appendix 4 (B).

13) The capital strategy, as required by CIPFA's Prudential Code.

14) Delegating to Cabinet, approval to include in the capital programme, additional capital schemes funded wholly by grant where it meets the Council's aims.

Treasury Management Strategy

15) The borrowing strategy 2024/25 through to 2028/29 (Section 5, paragraphs 5.25 to 5.33).

16) The capital and treasury prudential indicators and limits for 2024/25 through to 2028/29 contained within Section 5 including the Authorised Borrowing Limit for the council.

17) The Minimum Revenue Provision (MRP) policy statement contained in Appendix 5 (Section 5)

18) The (financial) Investment Strategy 2024/25 including changes to counterparty limits.

Summary of key financial indicators

19) Indicators for 2025-2026 through to 2029-2030 as contained in section 5.

B) To approve the budget amendments:

20) The funding for one year of the Inclusive Norwich Partnership at a cost of £70,000 to be funded from one-off reserves.

21) The creation of an earmarked reserve of £250,000, utilising existing earmarked reserve funds, for the purpose of funding the costs of preparing for local government reorganisation.

22) To commission an options study and outline business case for alternative use of Council owned assets identified as unused and unsuitable for housing

development, at a cost of no more than £35,000, to be funded from one-off resources.

23) To fund a new toilet block at Jenny Lind Park within the Capital Programme, at an estimated capital cost of £100,000, recognising that this would generate a revenue budget pressure for 2026 – 2027 to fund the associated cleaning and maintenance of the new facility.

24) The Administration commits to maintaining current funding levels for financial inclusion work and will actively pursue additional funding from Government to enhance this work.

(The Deputy Lord Mayor closed the meeting

LORD MAYOR

NORWICH City Council

Item 6

Committee Name: Council

Committee Date: 25/02/2025

Report Title: The council's 2025-26 Council Tax Resolution

Portfolio:	Councillor Kendrick, cabinet member for an open and modern council
Report from:	Interim Section 151 Officer
Wards:	All Wards

OPEN PUBLIC ITEM

Purpose

To approve the Council Tax resolution for the financial year 2025 – 2026.

Recommendation:

Council is asked to approve that the total of all the precepts of the collection fund is calculated in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011(as shown in Annex A) taking into account precepts notified by Norfolk County Council and the Office of the Police & Crime Commissioner for Norfolk.

Policy Framework

The council has five corporate priorities, which are:

- An open and modern council
- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich

Report Details

1. At its meeting of 12 February 2025 Full Council approved the budget for Norwich City Council for the financial year 2025 – 2026 Document.ashx.
2. The statutory determination at Annex A reflects the final Council Tax base as confirmed by the chief finance officer under delegated powers. It also reflects the following proposed increases in Council tax:

Preceptor	% increase
Norwich City Council	2.99%
Norfolk County Council	4.99%
Office of the Police and Crime Commissioner for Norfolk	4.42%

3. The precept for the Office of the Police and Crime Commissioner was confirmed at the meeting of the Norfolk Police and Crime Panel on 4th February 2025 Document.ashx.
4. The precept for the County Council is to be considered at its meeting on 18th February 2025, after publication of these papers Document.ashx. Any changes to the proposed precept will be reported orally to Council at this meeting. The proposal is an increase in general council tax of 2.99% and 2.00% for the Adult Social Care precept in 2025 - 2026 (i.e. 4.99% in total).

Implications

Financial and Resources

5. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in the Corporate Plan.
6. This report reflects the budgets and precepts that allow the Council Tax levels to be set for the financial year of 2025 – 2026 for residents of Norwich City Council.

Legal & Statutory Considerations

7. Norwich City Council, as a billing authority as defined within the Local Government Finance Act 1992, is required to set Council Tax for the forthcoming financial year in accordance with the requirements and regulations relating to that Act.

Background papers:

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Document.ashx

Document.ashx

Appendices:

Annex A: Statutory Council Tax Resolution

Contact

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ANNEX B

Statutory Council Tax Resolution

The Council is recommended to resolve as follows:

1. That the Chief finance officer has estimated the Council Tax Base 2025-26 for the whole Council area as 39,166 [Item T in the formula in Section 33(1) of the Local Government Finance Act 1992, as amended (the 'Act')] and,

2. To calculate that the Council Tax requirement for the Council's own purposes for 2025 - 2026 (excluding Parish precepts) is £11,989,104.

3. That the following amounts be calculated for the year 2025-26 in accordance with Sections 32 to 36 of the Act:

(a)	£206,029,280	being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a)-(e) of the Act taking into account all precepts issued to it by Parish Councils.
(b)	£194,040,176	being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a)-(c) of the Act.
(c)	£11,989,104	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 33(1) of the Act).
(d)	£306.11	being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
(e)	0	being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.

(f)	£306.11	being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

4. That it be noted that for the year 2025-26 the Norfolk County Council and the Police & Crime Commissioner for Norfolk have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.

Band	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**
County	£1,170.42	£1,365.49	£1,560.56	£1,755.63	£2,145.77	£2,535.91	£2,926.05	£3,511.26
Police	£219.90	£256.55	£293.20	£329.85	£403.15	£476.45	£549.75	£659.70

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings.

Band	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**
City	£204.07	£238.09	£272.10	£306.11	£374.13	£442.16	£510.18	£612.22
County	£1,170.42	£1,365.49	£1,560.56	£1,755.63	£2,145.77	£2,535.91	£2,926.05	£3,511.26
Police	£219.90	£256.55	£293.20	£329.85	£403.15	£476.45	£549.75	£659.70
Total	**£1,594.39**	**£1,860.13**	**£2,125.86**	**£2,391.59**	**£2,923.05**	**£3,454.52**	**£3,985.98**	**£4,783.18**

6. To determine in accordance with Section 50 Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2025-26 is not excessive in accordance with principles approved by the Secretary of State under Section 54.

NORWICH City Council

Item 8

Report title: Updated Financial Regulations

Portfolio:	Councillor Kendrick, Cabinet member for an open and modern council
Report from:	Interim chief finance officer (S151)
Wards:	All Wards

Purpose

The financial regulations have been reviewed and updated with reference to the current local government environment, ensuring that they are fit for purpose and reflective of good practice.

Recommendation:

It is recommended that Full Council approves the updated Financial Regulations

Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council.

This report meets all five corporate priorities and in particular the following outcomes:

- A future-proof Norwich – by ensuring that the Financial Regulations are up to date and reflective of the governance and control environment that the Council is working within.
- An open and modern council – ensuring that there is assurance and confidence in the governance of the financial regulations that underpin the financial management of the council.

Report details

Background

1. Part 4 of the Constitution of Norwich City Council (Constitution | Norwich City Council) includes a section relating to the Financial Regulations of the council. In relation to the Status of the Financial Regulations on page 180, it states that,

"The Chief Finance Officer is the Responsible Financial Officer under regulation 2(2)(a) of the Accounts and Audit Regulations 2003. They are "the person who, by virtue of section 151 of the Local Government Act 1972, is responsible for the administration of the financial affairs of a relevant body or, if no person is so responsible, the person who is responsible for keeping the accounts of such a body". They are responsible for maintaining a continuous review of these regulations and submitting any additions or changes necessary to the council for approval."

This report provides an updated version of the financial regulations at Appendix A following a comprehensive review of the previous regulations.

2. The Financial Regulations have been reviewed from with recognition of good practice in other local authorities, considering the contents of other similar local authorities but also reflecting good practice across a range of local authorities of different sizes and tiers.

3. The objective has been to ensure that there is sufficient detail and clarity about roles, responsibilities and the rules that need to be followed to ensure effective financial management in line with the responsibilities conferred on the Chief Finance Officer under section 151 of the Local Government Act 1972.

4. The regulations cover the whole financial management cycle, from financial planning and budget setting through to roles and responsibilities in relation to all financial management governance.

5. This review has rewritten all the financial regulations in their entirety, so whilst the subject coverage will be familiar the contents reflect a complete update. In this context the revised Financial Regulations attached at Appendix A need to be seen within the broader context of the council's Constitution but also read as a single document.

Implications

Financial and resources

6. There are no direct financial implications arising from this review, however it will be important that staff and management are aware of the contents, to which end, once the regulations have been approved by Full Council a programme of briefing sessions will be arranged for relevant officers.

Legal

7. The Financial Regulations form an integral part of the Norwich City Council Constitution therefore, once approved by Full Council, the Constitution will need to be updated accordingly.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	None.
Health, social and economic impact	None.
Crime and disorder	None.
Children and adults safeguarding	None.

Risk Management

Risk	Consequence	Controls required
Governance arrangements are not effective.	Early opportunities to take corrective actions are missed Governance failures lead to company breaching responsibilities.	The Financial Regulations and adherence to them forms a key part of the system of internal control and governance for the Council. Monitoring will be via both on-going operational oversight and actions by officers and as reflected within IT systems, as well as via the further oversight provided by Internal and External Audit reviews.

Background papers: None

Appendices: Appendix A – Revised Financial Regulations

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Financial Regulations

Status of Financial Regulations

1. Financial regulations provide the framework for managing the council's financial affairs and are part of the Constitution. They apply to every member and employee of the council and anyone acting on its behalf. The council's detailed financial procedures set out how the regulations will be implemented.

2. The regulations identify the financial responsibilities of the council, its members, the Head of Paid Service (Chief Executive), the Monitoring Officer and the Chief Finance Officer.

3. All members and employees have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

4. The Chief Finance Officer is the Responsible Financial Officer under regulation 2(2)(a) of the Accounts and Audit Regulations 2003. They are "the person who, by virtue of section 151 of the Local Government Act 1972, is responsible for the administration of the financial affairs of a relevant body or, if no person is so responsible, the person who is responsible for keeping the accounts of such a body". They are responsible for maintaining a continuous review of these regulations and submitting any additions or changes necessary to the council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the financial regulations to the Council and/or to the Cabinet and portfolio holders.

5. The Chief Finance Officer is responsible for issuing financial procedures (and other advice on the application of the financial regulations) that members, employees and others acting on behalf of the council are required to follow.

Financial management Roles and Responsibilities

7. Financial management refers to all decisions relating to both the operational and strategic decisions with a financial implication, whether this be in terms of expenditure or income and in relation to the General Fund, the Capital Programme, the Housing Revenue Account and any companies owned by Norwich City Council. Officers or members making decisions and/or exercising delegated authority in relation to financial management are both responsible and accountable for the decisions made, specifically in relation to supporting and upholding the S151 responsibilities of the Chief Finance Officer and covers all financial accountabilities in relation to the running of the council, including the Budget and Policy Framework & Medium Term Financial Strategy.

A transparent framework of roles and responsibilities, including delegated authorities is essential to the effective financial management and control of the council's finances. This framework should support and enhance the system of

internal controls and scrutiny that ensures the council's financial decisions demonstrate value for money and reflect both best practice and the best interests of the residents of Norwich City Council.

All officers are expected to exercise due care in relation to resources, assets, income and expenditure within their care and control and comply with these regulations and associated financial procedures and guidance, manage service delivery within agreed budgets and to ensure that the financial impact of all proposals are properly reflected in decision making reports.

The Council

8. The Full Council is responsible for approving the council's,

- Annual Budget
- Council Tax rates for the forthcoming year
- Budget and Policy Framework & Medium Term Financial Strategy.

Cabinet

9. The Cabinet is responsible for proposing the financial Budget and Policy Framework & Medium Term Financial Strategy to Full Council, and then for discharging Executive functions in accordance with the approved Budget and Policy Framework & Medium Term Financial Strategy, including the review of budget management throughout the financial year and in relation to the financial implications arising from recommendations approved in reports considered by Cabinet.

10. Executive decisions can be delegated to a committee of Cabinet members, an employee or a joint committee. Executive decisions can also be delegated to individual Cabinet members, sometimes in consultation with a member or members of the Executive Leadership Team, in these circumstances decisions with financial management implications must be demonstrably in compliance with the Constitution and these Financial Regulations.

Scrutiny Committee11. Scrutiny Committee are responsible for holding the cabinet to account by examining their proposals; evaluating policies, performance and progress; ensuring consultations, where necessary, have been carried out; and highlighting areas for improvement. In this context they also hold responsibility for ensuring that cabinet is working in accordance with these Financial Regulations.

Audit Committee

12. The Audit Committee plays a key role in ensuring that the council's system of internal controls and governance is working effectively and consequently provide assurance to Full Council that the council's business is being undertaken effectively and efficiently in accordance with all relevant legislation, regulations and as far as possible reflect best practice. In this regard, compliance with the financial regulations is a key reference point in being able to provide this reassurance to Full Council.

Treasury Management Committee

13. The Treasury Management Committee has a specific responsibility to oversee the effective implementation of the Treasury Management Strategy, as agreed

annually alongside the annual budget and the Budget and Policy Framework & Medium Term Financial Strategy.

The Statutory Officers

Head of Paid Service

14. The Head of Paid Service for the purposes of the Local Government Act 1989 is responsible for the corporate and overall strategic management of the council as a whole. The Head of Paid Service must report to and provide information for the Council, the Cabinet, the Scrutiny Committee and other committees.

15. The Head of Paid Service is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation, this is reflected within the Corporate Code of Governance Corporate Governance | Corporate Governance | Norwich City Council. The Head of Paid Service is also responsible, together with the Executive Director Corporate & Commercial Services, for the system of record keeping in relation to all the council's decisions.

The Monitoring Officer

16. The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to Full Council and/or to the Cabinet.

17. The Monitoring Officer is responsible for advising all members and employees about who has authority to take a particular decision and recording those decisions subsequently. This means that they play an important role in the evidencing of the key parts of the Chief Finance Officer exercising their S151 roles and responsibilities.

18. The monitoring officer (together with the Chief Finance Officer) is responsible for advising Cabinet or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include;

- initiating a new policy
- committing expenditure in future years to above the budget level
- causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.
- Entering into a contract that doesn't comply with the Contract Procedure Rules within the Constitution.

The Chief Finance Officer

19. The Chief Finance Officer undertakes the duties of the Responsible Financial Officer under S151 of the Local Government Act 1972 and has statutory duties in relation to the financial administration and stewardship of the council. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2015 as amended
- The Local Authorities Goods and Services Act 1970
- The Local Government Acts 2000 and 2003
- The Localism Act 2011

20. The Chief Finance Officer is responsible for:

(a) the proper administration of the council's financial affairs, including all arrangements concerning financial planning, financial control, accounting, taxation, income, debt management, insurance, investments, banking, bonds, loans, leading, borrowing, payment of creditors, salaries, as well as the oversight of any related parties, wholly owned companies or partnerships.

(b) setting and monitoring compliance with financial management standards, financial procedures and regulations including all relevant accounting standards and professional best practice.

(c) advising on the corporate financial position and on the key financial controls necessary to secure sound financial and risk management, ensuring that public funds and assets are properly safeguarded and used economically, efficiently and effectively.

(d) providing timely, relevant and reliable financial information that supports and underpins effective strategic and operational decision making in support of effective budget management and financial planning.

(e) ensuring that the financial system, that records the primary and other records that facilitate effective financial management reporting and the production of the statutory Statement of Accounts, is robust, reliable and resilient to effectively support decision making, budget management, financial planning and statutory reporting.

(f) preparing the Medium Term Financial Strategy, revenue budget, Housing Revenue Account budget, and capital programme.

(g) preparing and implementing the treasury management strategy, including monitoring and reporting prudential indicators.

(h) preparing the council's annual statement of accounts and governance statement in accordance with the applicable codes of practice and legislative requirements.

(i) Implementation and application of the treasury management strategy and associated appropriate banking arrangements.

(j) maintaining an adequate and effective internal audit function and effective anti-fraud and corruption strategy.

(k) ensuring that the Finance function is resourced and staffed appropriately to support the delivery of the responsibilities listed above in a robust and professional manner.

(l) participating within the Statutory Officers Group to ensure that, in conjunction with the Head of Paid Service and the Monitoring Officer, that oversight of all statutory responsibilities and implications can be considered operationally and strategically, giving due consideration to the 'Wednesbury' rules which emphasise the importance of ensuring that when developing policy all relevant matters are properly considered. Specifically, the Chief Finance Officer has the authority to withdraw a report or proposal for consideration by members if the financial implications have not been fully explained or assessed.

(m) preparing the council's risk management strategy and advising on the management of strategic, financial and operational risks.

(n) advising on risks and financial implications associated with joint working, external funding and trading opportunities including arms length companies.

21. The Chief Finance Officer is responsible for advising the Cabinet or council about whether a decision is likely to be considered contrary or not wholly in accordance with the Budget. Such actions include;

(a) initiating a new policy;

(b) committing expenditure in future years to above the Budget level;

(c) incurring interdepartmental transfers above virement limits;

(d) causing the total net expenditure financed from council tax, grants and corporately held reserves to increase or to increase by more than a specified amount beyond the approved budget.

22. Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the council, the Cabinet and external auditor if the council or one of its employees: (a) has made, or is about to make, a decision which involves incurring unlawful expenditure

(a) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,

(b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or

(c) is about to enter an item of account the entry of which is unlawful.

23. The Chief Finance Officer must also make a report under Section 114 if it appears that the expenditure of the authority (including expenditure it is proposing to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure. The Chief Finance Officer will consult so far as practicable with the authority's Monitoring Officer in preparing this report.

24. Section 114 of the 1988 Act also requires: (a) the Chief Finance Officer to nominate a member of staff to deputise should they be unable to perform the duties under section 114 personally who meets the following criteria;

(a) is a member of one or more of the bodies mentioned in section 113(3) of the Local Government Finance Act 1988, or

(b)if no member of his staff is a member of one or more of those bodies, by such member of his staff as is for the time being nominated by the chief finance officer for the purposes of this section.

25. Section 114 of the Local Government Finance Act 1988 also requires the council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under section 114.

Other financial accountabilities Include within/cross refer to the Financial Procedures

Virement

26. The Chief Finance Officer is responsible for agreeing procedures for virement of expenditure between budget headings. The Chief Finance Officer may approve technical virements to make budget transfers where there is no underlying change in the budget intention.

27. The Cabinet (with advice of the Chief Finance Officer) is responsible for determining the use of balances to fund expenditure not covered elsewhere in the Budget.

28. The Chief Finance Officer is responsible for approving any virements of revenue budgets where it is for the release of earmarked sums from contingency provisions.

29. The Chief Executive or the Chief Finance Officer (in consultation with the leader or the Cabinet member for resources) may exercise the virement powers of the Cabinet where a matter is urgent.

30. Fortuitous savings, or additional income, cannot be used for on-going purposes or commitments. They may be used to support effective financial control within the same financial year and as part of the overall balancing of the Council's budgets. They should be reflected and reported within the regular reporting of financial performance and outturn forecasts to both Executive Directors and Cabinet.

Earmarked Reserves Include within/cross refer to the Financial Procedures

31. The Cabinet is responsible for approving any new earmarked reserves.

32. The Chief Finance Officer is responsible for approving the release of earmarked reserves where utilised in line with the intentions of the reserve when created.

Guarantees

33. The Cabinet is responsible for approving any financial guarantees provided by the Council to third parties. The Chief Finance Officer is authorised to provide financial guarantees in relation to any entities wholly-owned by the council.

Treatment of year-end balances

34. The Chief Finance Officer is responsible for agreeing procedures for carrying forward under- and overspendings on budget headings.

Accounting policies

35. The Chief Finance Officer is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting records and returns

36. The Chief Finance Officer is responsible for determining the accounting procedures and records for the council.

The annual statement of accounts

37. The Chief Finance Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards. The Audit Committee is responsible for approving the annual statement of accounts.

Financial planning

38. The Medium Term Financial Strategy and the annual budget of the Council fulfil fundamental elements of effective financial management, statutory duties and good governance. They provide a financial expression of the Council's plans for service delivery, as such they provide a key control in delivering value for money and a touchstone for the effective monitoring and control of resources that are fundamental to good financial management. They also underpin the delivery of the statutory duty to set Council Tax for different bands annually, reflective of the full assessment of the Council's resources, including the Council Tax Base, the Council Tax collection rate and other income streams including sales, fees and charges, grants and National Non-Domestic Rates (NNDR). The information provided within the annual budget, the Medium Term Financial Strategy and also the Statement of Accounts, including the external audit opinion, provide the basis for assessing the financial resilience of the Council and as such provide a fundamental element of good governance.

39. Full Council is responsible for agreeing the Policy Framework and Budget, which will be proposed by the Cabinet. In terms of financial planning, the key elements are:

(a) the Medium Term Financial Strategy;

(b) the Budget;

(c) the Capital Programme

(d) the Treasury Management Strategy and Prudential Indicators.

40. It is unlawful for the Council to budget for a deficit, meaning that expenditure proposed to be incurred in a financial year should not exceed the resources available to it to meet that expenditure. Section 114 of the Local Government Finance Act 1988 requires the Director of Finance (as Section 151 Officer/Chief Finance Officer) to report to Full Council, Cabinet and the external auditor if the council or one of its officers has made, or is about to make, a decision which involves incurring unlawful expenditure (see the section above regarding the Chief Financial Officer's responsibilities for further details).

41. The overall annual budget requirement and capital programme is recommended by the Cabinet and approved by Full Council. Executive Directors and budget managers, in line with the approved Scheme of Delegation, are subsequently authorised to incur expenditure in accordance with the estimates that make up the budget.

42. The S151/Chief Finance Officer is statutorily required under Section 25 of the Local Government Act 2003 to submit a statement on the following matters—

a) the robustness of the estimates made for the purposes of the calculations, and
b) the adequacy of the proposed financial reserves.

The Council, by the same statute, shall have regard to the report when making decisions about the calculations in connection with which it is made.

43. The budget report to the Full Council must include as a minimum the following elements,

- Local Government Financial Settlement and Economic Context
- General Fund
    - Medium Term Financial Strategy
    - Annual Budget
- Housing Revenue Account Budget
- Capital Programme
    - General Fund
    - Housing Revenue Account
    - Group Companies
- Treasury Management Strategy and Prudential Indicators
- Section 25 Chief Finance Officer's Statement
- Statutory Council Tax Resolution
- Equality Impact Assessment

Policy framework

Preparation of the Corporate Plan

44. The Head of Paid Service is responsible for proposing a Corporate Plan to the Cabinet for consideration before its submission to the council for approval. The annual budget and the Medium Term Financial Strategy should underpin the delivery of the Corporate Plan and the Council's statutory duties whilst ensuring that the Council remains financially resilient in accordance with the Section 25 statement.

45. The annual budget, the Corporate Plan and the Corporate Risk Management Strategy together provide the reference points when measuring and monitoring performance and financial management through the course of the year. Good governance and the effectiveness of internal controls should be reviewed separately with reference to the Annual Governance Statement, the delivery of the annual plan for internal audit and the external audit opinion and value for money statement.

46. To enable informed and transparent decision making, all Cabinet, Cabinet Member and Committee decision reports must incorporate a separate Finance Impact section which will be prepared by the departmental finance team and verified by the Director of Finance or their nominated deputies. The Director of Finance will liaise with the Head of Paid Service and the Monitoring Officer to agree the timescales required for finance officers to be able to fulfil this

responsibility as part of the overall planning to support the Forward Plan of Council, Cabinet and Committees.

Budgeting

Preparation of the budget

47. The S151/Chief Finance Officer, with appropriate consultation and agreement of Cabinet Members and the Executive Leadership Team, is responsible for preparing a budget and accompanying Medium Term Financial Strategy, for a minimum duration of three years, for formal consideration by the Cabinet. Cabinet are required to agree a budget and accompanying Medium Term Financial Strategy to recommend to Full Council.

The Cabinet shall, after considering the effect on the council's finances and any directives from central government, submit to the Council:

(a) recommended budgetary requirements;

(b) recommended revenue estimates (incorporating any amendments):

(c) a report thereon;

(d) the council tax base for the year;

(e) a recommendation as to the council tax to be levied for the following financial year;

(f) the calculation of the non-domestic rating income.

48. The Council may amend the Budget or ask the Cabinet to reconsider it before approving it.

49. The S151/Chief Finance Officer will develop and share internally annual budget preparation guidance notes, including definition of roles and responsibilities, potentially in the form of a RACI (Responsible, Accountable, Consult & Inform) along with a timetable for the completion of key tasks. It is the responsibility of the Head of Paid Service and the Executive Directors to ensure that appropriate managers collaborate and submit information in a timely manner to support the delivery of the budget timetable, reflecting the agreed Corporate and service plans.

Preparation of the capital programme

50. The S151/Chief Finance Officer is responsible for ensuring that a five-year rolling capital programme and capital strategy is prepared jointly with Executive Directors. This must be submitted on an annual basis for consideration by Cabinet before approval by Full Council.

51. The Council is required by the CIPFA Prudential Code for Capital Finance (2017) to agree a capital strategy when developing the capital programme. The capital strategy sets out the long-term context in which capital investment

decisions are made and the governance for those decisions. It supports the development of a capital programme that is affordable, prudent, and sustainable whilst giving due consideration to risk, reward and delivery of the council's business plan.

52. The S151/Chief Finance Officer is responsible for ensuring that all relevant prudential indicators (as set out in the CIPFA Prudential Code for Capital Finance) are taken account of within the capital programme. The Director of Finance is also responsible for ensuring that the capital programme informs the treasury management strategy and Minimum Revenue Provision policy.

Resource Allocation, monitoring and control of the revenue budget and capital programme

53. The Chief Finance Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the council's Policy Framework. The resource allocation process should have regard to the Corporate Plan, recognising the aspiration that the budget should be the financial expression of plans to deliver the service priorities and statutory duties of the Council.

54. The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively, including a budget management timetable for each financial year. Executive Directors are authorised to implement their service spending plans in accordance with the recommendations of the budget report and the council's Contract Standing Orders, Financial Regulations, relevant Schemes of Delegation and to undertake any further consultation required (including the Equalities Impact Assessment). Executive Directors and any managers exercising delegated powers must monitor and control expenditure and income against budget allocations and report in accordance with any guidance and systematic processes proscribed by the S151/Chief Finance Officer. the S151/Chief Finance Officer will collate, analyse and critically review all reports from Executive Directors and managers in order to report to the Executive Leadership Team and Cabinet on the overall forecast outturn position on a quarterly basis, accompanied by relevant insights, observations and recommendations for action as appropriate.

55. It is the responsibility of the Head of Paid Service and the Executive Leadership Team to ensure that recommended and approved actions to control expenditure are implemented in a timely manner.

Maintenance and use of reserves

56. It is the responsibility of the Chief Finance Officer to advise the Cabinet and Full Council on prudent levels of reserves for the council. This advice should be reflected in both the Treasury Management Strategy and the Section 25 Statement made by the S151/Chief Finance Officer as part of the annual budget setting.

57. The use of reserves must be clearly reflected within the financial implications section of the appropriate decision report.

58. Authorisation of the use of earmarked reserves can be delegated to the S151/Chief Finance Officer in line with the purpose of the earmarked reserve.

59. The use of unearmarked reserves must be authorised by the S151/Chief Finance Officer in consultation with the Head of Paid Service and the Cabinet Member for Resources and clearly reflected within the financial implications of the decision making report.

Financial Systems and Internal Controls

. The S151/Chief Finance Officer, as part of their statutory duty under Section 151 of the Local Government Act 1972, is responsible for making arrangements for the proper administration of their financial affairs. This includes ensuring that the financial systems and internal controls are appropriate and adequate in underpinning the timely, relevant and reliable reporting and management of financial transactions and the accounts of the Council.

60. These systems and internal controls may be implemented via a variety of approaches, increasingly including the use of IT and technology but not exclusively. These systems and internal controls together provide assurance around the governance and financial resilience of the Council's financial management. The Annual Governance Statement, produced in conjunction with the Monitoring Officer, provides an annual review of these arrangements and consequently also acts as a key control itself.

61. The Council utilises an Enterprise Resource Planning (ERP) system that maintains an electronic record of the Council's financial transactions and budgets, in turn supporting the payroll, budget setting, resource allocation process, production of the budget management reports, the production of the Statement of Accounts and the audit of the Council's financial records and systems. The ERP also supports the delivery of procurement and human resources services. The ERP system consequently represents a business critical system, which the S151/Chief Finance Officer depends upon to ensure the proper administration of financial affairs. The S151/Chief Finance Officer is responsible therefore, in conjunction with the Executive Director of Resources, for the appropriate resourcing and support to maintain and develop the ERP.

Risk management

62. The Audit Committee is responsible for approving and reviewing the council's risk management strategy and for reviewing the effectiveness of risk management. The Cabinet is responsible for ensuring that proper insurance exists where appropriate.

63. The S151/Chief Finance Officer is responsible for preparing the council's risk management strategy, for implementing it throughout the council and for advising the Cabinet on proper insurance cover.

64. Directors, managers and staff, through their departmental management teams, are responsible for identifying, assessing and taking action to manage risks and monitor, review and escalate these as necessary. SLT is responsible for reviewing and corporate risks and the risk management strategy statement.

65. The risk management strategy will identify those risks that are corporate in nature, which in turn will be reported upon to the Audit Committee and Cabinet on a quarterly basis.

66. Insurance cover protects the Council from financial claims arising from unforeseen events such as damage to property or injury to employees or the public. The Director of Finance is responsible for ensuring that proper insurance provision, including both self-insurance and/or the procurement of commercial insurance products, is made where appropriate and for negotiating claims with insurers.

67. Executive Directors must advise the S151/Chief Finance Officer of any change to their activities and any loss, liability or damage arising.

Internal control

68. Internal control refers to the systems of control devised by management to help ensure that the council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources and that the council's assets and interests are safeguarded.

69. The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

Audit requirements

70. The Accounts and Audit Regulations 2015 require every local authority to maintain an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.

71. The Local Audit and Accountability Act 2014 requires relevant authorities to appoint a local auditor to audit its accounts for a financial year and allows the Public Sector Audit Appointments (PSAA) to appoint an auditor to relevant local government bodies that opt into its national scheme.

72. The Code of Audit Practice (Code of Audit Practice - National Audit Office (NAO)) is prepared and maintained by the National Audit Office and sets out what local auditors are required to do to fulfil their statutory responsibilities including work on both the financial statements and value for money arrangements.

73. The council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

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74. The Head of Internal Audit will provide an opinion on the effectiveness of the internal control environment to the Audit Committee on an annual basis.

75. The internal audit function shall have sufficient independence in order to enable them to perform their duties in a manner which will allow their professional judgement and recommendations to be effective and impartial. This shall include the right to report directly to the Monitoring Officer or the Cabinet in appropriate circumstances.

Preventing fraud and corruption

76. The S151/Chief Finance Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy and reporting suspicious transactions to the appropriate enforcement agency.

77. It is the responsibility of the Head of Paid Service and Executive Directors to maintain the internal control systems and to ensure that the council's resources are properly applied in the manner and on the activities intended, including the prevention and detection of fraud and other illegal acts.

Treasury management and banking

78. The council must have regard to the CIPFA Code of Practice for Treasury Management in the Public Services.

79. The Cabinet is responsible for approving the treasury management policy statement. The Chief Finance Officer has delegated responsibility for implementing and monitoring the statement.

80. The Council is responsible for approving a treasury management strategy for the coming financial year at or before the start of each financial year. The strategy is proposed by the Cabinet on the advice of the Chief Finance Officer.

81. All Executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in the Public Services. Should the Chief Finance Officer wish to depart in any material respect from the main principles of the code of practice, the reasons should in the first instance be disclosed in a report to the Cabinet.

82. The Chief Finance Officer is responsible for reporting to the Cabinet and Council on the activities of the treasury management operation and on the exercise of their delegated treasury management powers. These reports will include an annual report on treasury management for presentation to the council by 30 September of the succeeding financial year and a mid-year review.

83. The Chief Finance Officer is responsible for the opening and closing of bank accounts in the name of the council. All cheques drawn on the council's bank accounts shall bear the facsimile signature of the Chief Finance Officer or be signed by the Chief Finance Officer, or such other employee as may be authorised from time to time under the scheme of delegation of the council.

84. All cheques drawn for an amount in excess of £2,500 that bear the facsimile signature of the Chief Finance Officer, shall also be countersigned by one of the

employees authorised from time to time under the scheme of delegation of the council.

Staffing

85. The Head of Paid Service is responsible for providing overall management to staff. They are also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a post.

86. The Chief Financial Officer is responsible for ensuring that appropriate budgetary provision is made to meet the costs arising in accordance with both the staffing establishment of the council and mandatory requirements relating to tax, welfare benefits and pension commitments, ensuring compliance with all relevant legislation, associated regulations and contractual undertakings.

87. Executive Directors are responsible for ensuring that additional posts are not established without appropriate approvals and that effective control is maintained over staff and related expenditure, including but not limited to training, overtime and agency staff.

Financial systems and procedures

88. Sound systems and procedures are essential to an effective framework of financial accountability, planning and control. The Chief Finance Officer is responsible for the operation of the council's accounting systems, the form of accounts and the supporting financial records. Any changes proposed to be made to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer before they are implemented.

89. Executive Directors are responsible for the proper operation of financial processes and procedures as set out and updated by the Chief Financial Officer.

90. The Chief Financial Officer in conjunction with the Head of Paid Service shall ensure that staff receive relevant financial management and procedural training that has been approved by the Chief Finance Officer.

91. The Director of Finance has a professional responsibility to ensure that the financial systems are sound providing timely, relevant and reliable records of financial activity undertaken by the Council.

Key controls

The key controls for systems and procedures are:

- basic data exists to enable the council's objectives, targets, budgets and plans to be formulated
- performance is communicated to the appropriate managers on an accurate, complete and timely basis
- early warning is provided of deviations from target, plans and budgets that require management attention
- operating systems and procedures are secure.

92. Executive Directors are responsible for ensuring compliance with all requirements set out within the Financial Procedures of the Council, including the

accurate and timely recording of financial transactions and the retention of all prime records and audit trails necessary to support the veracity of the financial records and the associated annual Statement of Accounts. In addition, Executive Directors are responsible for maintaining appropriate control over budgets and resources allocated to their responsibility and accountability under the Scheme of Delegation.

Income and expenditure

93. It is the responsibility of Executive Directors to ensure that a proper scheme of delegation (operational arrangements) has been established within their area and is operating effectively. The operational arrangements should identify staff authorised to act on the manager's behalf, or on behalf of the Cabinet, in respect of committing expenditure, payments and income collection, together with the limits of their authority.

94. The key controls for income are:

- all income due is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed
- all income is collected from the correct person, at the right time, using the correct procedures
- money received by an employee on behalf of the council is paid without delay to council's bank account, and properly recorded. The responsibility for cash collection should be separated from that:
- for identifying the amount due
- for reconciling the amount due to the amount received
- effective action is taken to pursue non-payment within defined timescales
- formal approval for debt write-off is obtained
- appropriate write-off action is taken within defined timescales
- appropriate accounting adjustments are made following write-off action
- all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule
- money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.
- Acting at all times in accordance with the policies and procedures established by the Chief Financial Officer to ensure effective income management and recovery.

95. Executive Directors in conjunction with the Chief Financial Officer are responsible for annually reviewing charging policies and the level of charges to be levied, as part of the annual budget setting process.

96. The Chief Finance Officer is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

97. The Chief Financial Officer is responsible for establishing appropriate arrangements for the collection of all income due and to approve the procedures, systems and documentation for its collection.

98. Public money should be spent with demonstrable probity and in accordance with the council's policies. The council has a statutory duty to achieve best value in part through economy and efficiency. The council's procedures help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the contracts standing orders and procurement procedures and the council's constitution.

99. Every officer and member has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions, in accordance with appropriate codes of conduct.

100. Purchase orders must be issued for all work, goods or services to be supplied to the council in accordance with the Council's No Purchase Order, No Pay policy and procedures.

Payments to employees and members

101. The Chief Finance Officer is responsible for approving the system of payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to members.

Taxation

102. The Chief Finance Officer is responsible for advising the Head of Paid Service, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the council.

103. The Chief Finance Officer is responsible for maintaining the council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date.

Trading accounts/business units

104. It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts and business units.

Partnerships

105. The Cabinet can delegate functions, including those relating to partnerships, in accordance with the scheme of delegation set out in the Constitution. Where functions are delegated, the Cabinet remains accountable for them to the council.

106. Representation of the council on partnership and external bodies will be decided in accordance with the scheme of delegation.

107. The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and in compliance with the Constitution and Financial Regulations of the Council, including the verification of third party identities.

108. The Head of Paid Service is responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External funding

109. The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the council's accounts.

110. Key controls are

- to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
- to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Full Council
- to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these require

Work for third parties

111. The Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies unless this is delegated to an officer.

Financial procedures

112. The detailed financial procedures set out how the Financial Regulations shall be implemented.

NORWICH City Council

Item 9

Committee name: Council

Committee date: 25/02/2025

Report title: Updated Contract Procedure Rules

Portfolio: Councillor Kendrick, Cabinet member for an open and modern council

Report from: Interim chief finance officer (S151)

Wards: All wards

Purpose

The Contract Procedure Rules have been reviewed and updated with reference to the new Procurement Act 2023, ensuring that they are fit for purpose and reflective of good practice.

Recommendation:

It is recommended that Council consider and approve the updated Contract Procedure Rules.

Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council.

This report meets all five corporate priorities and in particular the following outcomes:

- A future-proof Norwich – by ensuring that the Contract Procedure Rules are up to date and reflective of the governance and control environment that the Council is working within.
- An open and modern council – ensuring that there is assurance and confidence in the governance of the procurement activities that the council undertakes.

Report details

Background

1. The council is required to have Contract Procedure Rules, and these are made in accordance with the requirements of Section 135 of the Local Government Act.

2. The Contract Procedure Rules are part of the councils Constitution.

3. The revision of the Contract Procedure Rules are required to reflect the new government legislation, the Procurement Act 2023, which shall go live on 24 February 2025.

4. The Contract Procedure Rules are in effect the instructions of the council to officers and elected members entering contracts on the council's behalf. Setting out minimum requirements.

5. The objective has been to ensure that there is sufficient detail and clarity about roles, responsibilities and the rules that need to be followed to ensure effective and compliant procurement activity in line with both legislative requirements and internal governance such as the financial procedures and scheme of delegations found in the Constitution.

6. The Contract Procedure Rules cover the whole procurement lifecycle through plan, define, procure and manage.

7. This review has rewritten all the Contract Procedure Rules in their entirety, so whilst the subject coverage will be familiar the contents reflect a complete update. In this context the revised Contract Procedure Rules attached at Appendix A need to be seen within the broader context of the council's Constitution but also read as a single document

Consultation

8. The Contract Procedure Rules review has been undertaken by the Strategic Procurement Manager, supported by the Monitoring Officer and Chief Finance Officer.

9. The draft was presented to Executive Leadership Team on 28 January 2025 and the Constitution Working Group on 11 February and the draft as presented in Appendix A encompasses recommended changes from ELT, none arose from Constitution Working Group.

10. The draft was considered by Audit Committee 24 February 2025. Any recommended changes arising from the Audit Committee shall be presented verbally to Full Council.

Implications

Financial and resources

11. There are no direct financial implications arising from this review, however it will be important that all officers and members are aware of the contents, to which end, once the regulations have been approved by Full Council a briefing session will be arranged for relevant officers.

Legal

12. The review has been undertaken with support from legal officers, who have approved the draft as presented in Appendix A.

13. The Contract Procedure Rules form an integral part of the Norwich City Council Constitution therefore, once approved by Full Council, the Constitution will need to be updated accordingly.

Statutory considerations

Consideration	**Details of any implications and proposed measures to address:**
Equality and diversity	None

Consideration	Details of any implications and proposed measures to address:
Health, social and economic impact	None
Crime and disorder	None
Children and adults safeguarding	none
Environmental impact	None

Risk management

Risk	Consequence	Controls required
Governance within the Contract Procedure Rules are not effective.	Early opportunities to take corrective actions are missed Governance failures lead to Council breaching legislative responsibilities.	The Contract Procedures and adherence to them forms a key part of the system of internal control and governance for the Council. Monitoring will be via both on-going operational oversight and actions by officers as well as via the further oversight provided by Internal and External Audit reviews.

Reasons for the decision/recommendation

14. Requirement by legislation to have Contract Procedure Rules, update required due to imminent implementation of new fundamental changes in Procurement Legislation.

Appendices: Appendix A – Updated Contract Procedure Rules

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IN TRAN communication for all	If you would like this agenda in an alternative format, such as a larger or smaller font, audio or Braille, or in a different language, please contact the committee officer above.

Contract Procedure Rules

1.0 CONTEXT

1.01 Purpose

(a) These Contract Procedure Rules are made in accordance with the requirements of Section 135 of the Local Government Act 1972. They form part of the Council's Constitution and are, in effect, the instructions of the Council, to officers and elected members for entering into contracts on behalf of the Council. They do not provide guidelines on what is the best way to purchase works, supplies (goods) and services. They set out the minimum requirements to be followed. Procurement Guides shall provide internal operational guidance where appropriate.

(b) The Council is a contracting authority for the purposes of public procurement law and is legally bound to comply with certain practices and procedures in the award, management and variation of contracts.

(c) The overall purpose of these Contract Procedure Rules is threefold:

- to ensure probity, transparency and equality in the procurement of works, goods and services.
- To ensure the Council gets best value from its procurements.
- To protect those involved in the procurement process.

(d) The Contract Procedure Rules should be read in conjunction with other parts of the Constitution including the Financial Procedure Rules and the Scheme of Delegation, plus requirements for Key Decisions.

(e) Officers undertaking procurement should also take regard to the Council's Procurement Strategy, Procurement Guides and Contract Management Framework. Together with the priorities found in the Corporate Plan – 'We are Norwich'.

(f) Officers undertaking procurement should have regard to the requirements of the Procurement Act 2023. These Contract Procedure Rules, for example, refer to several notices to be published but do not include an exhaustive list and neither do these Rules capture the full obligations, for example, around information to be included and timing.

(g) The Governments Find-a-Tender service and relevant notices shall be used where required.

(h) The Contract Procedure Rules aim to promote the highest standards of probity, integrity and impartiality using the key procurement principles of transparency, equal treatment, non-discrimination and proportionality. They thereby offer the best justification against allegations of purchases having been made fraudulently or incorrectly; and safeguard the Council's reputation from the implication of dishonesty and corruption.

(i) If it comes to notice of an Officer that there has been non-compliance with these Contract Procedure Rules in respect of any contract which they are responsible

as the officer of the procuring service, they shall without delay notify the manager of the Procurement Service, who shall take such action as deemed necessary.

(j) A Glossary of terms in included at Appendix B

1.02 **Scope**

(a) These Contract Procedure Rules apply to all contracts for goods, services, works, concessions and utilities undertaken by or on behalf of the Council with the exception of:

- the acquisition of any interest in land or property;
- the lending or borrowing of money;
- employment of an individual employee;
- the disposal of property (including any interest in land);
- the provision of specific types of legal advice, for example, in relation to litigation (the provisions of Clause 14 of Part 1 of Schedule 2 of the Procurement Act 2023 should be checked carefully to ascertain the applicability of this exception); and
- the awarding of grants;
- In the event of a genuine emergency or a major disaster involving immediate risk to persons, property or serious disruption to Council services or significant financial loss, these Rules would not apply to the extent necessary to deal with the immediate risk. Once the immediate risks of that genuine emergency or major disaster has been duly mitigated, any follow up actions which would typically be subject to these Rules.

(b) For the purposes of this document a contract is defined as any circumstance where goods, services or works are acquired, and there is an understanding by both parties that payment will be made in exchange for this.

(c) The scope of the procurement process is from the identification of a requirement through to the completion of any arrangement to fulfil that requirement, including the management of that arrangement, termination and potentially the disposal of any products of the arrangement that are not required.

1.03 **Authorities and controls**

(a) Procurement Authority is delegated by the Council to the Executive Directors who may (so far as any financial threshold in the Constitution permits) delegate to officers who need to carry out procurement in the course of their normal duties.

(b) An extract of the Executive Scheme of Officer Delegation within the Constitution states, (page 87)

- ‘c) Chief Officers are empowered to

- (iii) Take decisions that result in expenditure or savings to the council below £500k (calculated on a whole life basis). Decisions between £200k - £499k will be taken in consultation with the relevant Portfolio Holder. All material or significant decisions (see page 84) affecting individual Wards will be notified to the local Ward member(s).

- (xii) Procure works, supplies and services, enter into contracts, review their operation, establish and maintain approved lists of contractors or suppliers and the appointment of consultants, subject to the financial regulations, the Contract Procedure Rules and budgetary provision.'

(c) An extract of the Key Decisions definition within the Constitution states, (page 108)

- 'Key Decisions are Executive decisions that are 'significant'

  - (a) in relation to the budget for the service or function in question, i.e. if they result in the council incurring expenditure or making savings of £500k or more (calculated on a whole life basis); or

  - (b) in terms of the effect on communities living or working in two or more electoral wards'

  - 'Officers do not have authority to make Key Decisions except where: (a) they are specifically authorised by the Leader, Cabinet, Full Council or a committee; or (b) the Chief Executive or (in their absence) is acting under urgency powers. (page 108)

(d) Procurement Authority is defined as the limit that the Budget Holder can spend within their budget on a single contract. No commitment to purchase, contract, lease, hire, or rent goods, services or works on behalf of the Council can be made without appropriate budget authority and delegated procurement authority.

(e) The Executive Leadership Team (ELT) take a strategic role in procurement and are responsible for receiving reports and ensuring their Budget Holders respond to audit requirements as appropriate. The role of Executive Directors and the Monitoring Officer is to responsibly consider and approve or otherwise situations detailed in these Contract Procedure Rules where there is an increased risk to the Council, including circumstances where there is insufficient competition and where the value/risk of a contract is assessed as high. These circumstances and approvals shall be captured in the Procurement Plan.

(f) The role of Heads of Service is to ensure that the both the spirit and the letter of the Contract Procedure Rules are complied with. Heads of Service must involve an Executive Director and take advice from the Procurement Service and if necessary, the Legal Service, where a purchase is complex, requires special terms of contract, or a contract extension, even when the requirement is within the buyer's delegated procurement authority.

(g) Budget Authority rests with the Budget Holder. All expenditure must have prior budgetary approval. A budget is approved when the Budget Holder has received approval through the budget process for the annual budget. However, the Budget Holder must follow the Council's standards for specific goods and services. For certain categories of expenditure technical experts, governance boards or teams are responsible for specifying products and services, e.g., IT, and approval must

be sought from these experts to procure alternative goods and services, or to use alternative sources of supply.

(h) Budget Authority permits the Budget Holder to authorise, sign or issue purchase orders or contracts, or make any other form of commitment to suppliers within the limits of their delegated authority and with due regard to these Contract Procedure Rules.

1.04 Segregation of duties

(a) The activities relating to the contracting and procurement processes are segregated between the following phases:

- Purchase Order;
- Commitment (contract signatory) / Authorisation;
- Receipt;
- Payment.

(b) Segregation of duties must exist between raising Purchase Orders and commitment of expenditure and also receipt and payment.

1.05 Officer conduct

1.05.1 Conflict of interests of officers

Officers employed by the Council must comply with clauses within the Council's "Officer Code of Conduct", specifically relating to ‘Personal Interests’ in respect of these Contract Procedure Rules. Either actual or those that could be perceived as conflicts.

1.05.2 Ethical Procurement

Officers undertaking procurement activity should have regard to the ethical obligations as detailed in the Procurement Act 2023, Procurement Strategy and appropriate professional code of ethics for example CIPS Code of Ethics.

1.05.3 Officers responsible for procurement

Officers responsible for purchasing must:

- comply with these Contract Procedure Rules and all relevant policies for the purchase of goods or services or order works;
- take all necessary legal, financial and professional advice;

- declare any personal or financial interest in a contract. Corruption is a criminal offence;
- conduct a value for money review appraise the need to purchase and ensure there is an adequate budget;
- check whether there is an existing corporate contract that can be used before undergoing a competitive process;
- normally allow at least four weeks for submission of bids subject to any minimum timescales prescribed by law;
- keep bids confidential;
- ensure adequate terms and conditions are in place before goods works or services are provided;
- ensure specifications meet the defined needs and requirements of the Council;
- only commence the supply or works once a council purchase order has been issued and a contract has been signed;
- identify a Contract Manager with responsibility for ensuring the contract delivers as intended;
- keep records of dealings with suppliers; and
- assess each contract afterwards to see how well it met the purchasing need and value for money requirements.

1.06 **Audit requirements**

(a) All Budget Holders must be aware that their procurement actions will be subject to Internal and External Audit examination, to ensure that procurement is carried out in a professional and business-like manner and strictly in compliance with these Contract Procedure Rules and all relevant policies for the purchase of goods services or other works.

(b) Decisions on procurement actions must be recorded on file to provide a clear and transparent audit trail. This should always include:

- a Procurement Plan, where required;
- a clarification and contract reviews as part of contract management; and
- full tender documents including a record of evaluation processes. These documents shall be either held on the e-procurement system, if used for the procurement opportunity, on in the appropriate contract folder or both.

(c) These are the most important examples; the list is neither exhaustive nor exclusive. If a Budget Holder is ever in doubt about whether facts need to be recorded, it is advisable to err on the side of caution and record them.

(d) It is equally important to note that recording of facts in these circumstances should not be excessive. However, records should be sufficient to justify the decisions taken in all stages of the procurement procedure, including at evaluation, and give a reasonably easily understood picture of events to someone reading them for the first time and to assist others to explain the reasoning behind the decisions taken

(e) All Officers recording decisions should remember that the Freedom of Information Act 2000 and/or the Environmental Information Regulations may apply to such documents.

2.0 LEGISLATION

2.01 **Introduction**

The law requires the Council to treat suppliers and potential suppliers equally and without discrimination and to act in a transparent and proportionate manner. Procurement activity is also subject to subsidy control and competition law. All procurement activity must comply fully with the applicable requirements of the Procurement Act 2023, and any other relevant legislation. Procurement is subject to local government law, including the general duty of best value, and to equalities legislation. Concessions (previously governed by the Concession Contract Regulations 2016) now fall within the Procurement Act 2023.

2.02 **The Public Services (Social Value) Act 2012**

(a) The Public Services (Social Value) Act 2012 (Act) requires that the Council has regard to economic, social and environmental well-being in connection with public services contracts and considers the following in all procurement exercises for services:

- how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and
- how, in conducting the process of procurement, it might act with a view to securing that improvement.

(b) In relation to the above, under section 1(6) of the Act, the Council must consider only matters that are relevant to what is proposed to be procured and, in doing so, must consider the extent to which it is proportionate in all the circumstances to take those matters into account.

(c) When the Council undertakes an assessment of the categories of services that it procures, to evaluate those that are high risk or where there is scope to achieve social benefit, particular effort will be made to both reduce adverse impacts and maximize opportunities whilst understanding, valuing and building on existing social capital and community assets and creating a positive ongoing impact on communities.

2.03 **Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)**

In relation to contracts where there is likelihood that employees may be transferred to a new employer the invitation to tender will state that the Council assumes that TUPE will apply unless evidence to the contrary is produced. It will then be the Council's responsibility to ensure that tenderers have access to the appropriate information to allow them to fully consider any impact that TUPE may have on their tender. Further guidance should always be sought if there is potential for TUPE obligations from the Procurement Service.

2.04 **HMRC Requirements – Engagement of Individuals**

The Council must ensure that individuals engaged as consultants/self- employed are able to demonstrate that they meet the IR35 test for a self- employed person. The Budget Holder must take appropriate advice from the Human Resources and Organisational Development Service before making a decision to engage an individual and take consideration of any guidance in the current Pay Policy Statement.
All suppliers should provide their individual's Unique Taxpayer Reference (UTR) before a contract is entered into with them.

2.05 **Previous Regulations and transitional arrangements**

(a) The Procurement Act 2023 is a single, uniformed framework for public procurement and replaces the previous regulations.

- Public Contract Regulations 2015
- Utilities Contracts Regulations 2016
- Concession Contracts Regulations 2016
- Defence and Security Public Contracts Regulations 2011

(b) Where a procurement was started or contract entered into under the Public Contract Regulations 2015, or other legislation as listed above, Budget Holders shall continue to follow the governance for that procurement or contract with reference to those Regulations rather than the Procurement Act 2023.

(c) In the case of procurements/contracts started under the Public Contract Regulations 2015 they are governed by those Regulations until either:

- The end of the contract in question or
- For a framework/DPS, the end of the last call off contract.

3.0 PLAN PHASE

3.01 Business need

Executive Directors, Budget Holders and the Procurement Service must ensure that procurement decisions are made with consideration to the Council's business objectives as defined in the Council's Community Led Plan and Procurement Strategy.

3.02 Pipeline plans

(a) Budget Holders will ensure they review the Contract Register for expiring contracts between 24-18 months in advance to plan procurement activity. 18-month procurement pipelines will be identified by Executive Directors with advice from the Procurement Service.

(b) Suppliers are able to access basic information regarding upcoming contract opportunities via the Council's published Contract Register and through published pipeline notices, where applicable.

3.03 Pipeline Notices

As the Council's spend is greater than £100million per annum, the Council has an obligation to publish a Pipeline Notice under the Act. This shall be an 18-month forward-look at planned procurements of £2million plus value. The Council shall publish this on the Central Digital Platform as required under the Act. This improves forward planning, for the Council and suppliers.

4.0 DEFINE PHASE

4.01 Define Value

(a) When calculating the value of a contract to be awarded, the Budget Holder must remember that under the Procurement Act 2023 the thresholds set are inclusive of VAT. (NB the internal thresholds in the table at Appendix A are exclusive of VAT).

(b) The value must be calculated for the entire contract period including any extensions of the contract. Where the contract period is not fixed, the estimated value of the contract must be calculated by multiplying the monthly spend value by 48.

(c) Before any procurement is begun the appropriate Budget Holder must estimate the value of the contract and must keep a written record of that estimate as part of a Procurement Plan, where required.

(d) In the case of contracts for the supply of goods or services over a period where the Council wishes to call off as required or has a series of regular requirements by standing order the estimated value of the contract is either:

- the aggregate value of similar contracts over the previous 12 months (adjusted for any known changes in demand);
- the estimated value of similar contracts over the next 12 months; or
- if the contract is for a definite term of more than 12 months, the estimated value for the period of the contract.

(e) For all supplies, services and works not covered by the above, the estimated value for the purpose of these Rules must be the total estimated value of the supplies, services or works to be supplied over the period covered by the contract.

(f) The value of a concession for the purpose of these Rules is the estimated gross value of the service before income.

4.02 **Disaggregation of demand – not permitted**

Contracts must not be artificially underestimated or disaggregated into two or more separate contracts with the intention of avoiding these Contract Procedure Rules or legislation/law.

4.03 **Define budget**

(a) In addition to the likely cost of the goods, services or works (contract value) Officers must consider the following questions:

- is the appropriate level of funding in place to cover the expense of the project for the whole term?
- in respect of capital works, is there a revenue budget allocation to cover ongoing costs (maintenance etc.)?

(b) Officers shall ensure relevant information in respect of those questions is properly recorded in the procurement plan.

(c) In all cases officers must adhere to the requirements of the Financial Regulations, Procedures and any guidance issued by the Chief Financial Officer.

4.04 **Identify existing contracts**

(a) Where a Contract has been entered into it must be used for all requirements that relate to that contract. A Contracts Register is maintained by the Council and made available for all Budget Holders to access and review.

(b) The Council and its contracted suppliers make a considerable investment in negotiating and preparing contracts and when a contract has been entered into with a contractor it must be honoured except in exceptional circumstances. To place purchase orders/contracts with alternative suppliers other than the contract holder may frustrate the contract and expose the Council to potentially expensive litigation.

(c) On the exceptional occasions where a Budget Holder feels that better value can be obtained from sources alternative to those that have been awarded a Council contract, they shall contact the Procurement Service for further guidance. In all cases approval to use those alternatives must be first obtained from the service's Head of Service and the Section 151 Officer before awarding a competing contract for similar requirements.

4.05 **Identify potential procurement procedure**

(a) When a contract does not exist to meet a requirement, the Budget Holder must follow the appropriate procedure in compliance Contract Thresholds, either the Act or these Contract Procedure Rules which ever apply and undertake a risk assessment.

(b) A procurement requirement can often be met through a range of commercial models. The Budget holder must be clear as to which option will provide the best outcome and must record this in a Procurement Plan where appropriate.

(c) Advice can be obtained from Procurement Service about effective choice of procurement procedure and suppliers. The service has knowledge of commercial category markets and access to the supplier database on e-procurement platform and Find-a-Tender.

4.06 **Assessing contract risk**

Budget Holders shall be required to assess the tiering of the procurement prior to commencing activity. The assessment shall consider the level of risk, the financial value and the impact to services. The identified tiering must be recorded in the Procurement Plan, where appropriate. Budget Holders shall have regard to the tiering when undertaking all the procurement activities. This assessment shall be kept under review throughout the procurement life cycle. Guidance on tiering is in the Council's Contract Management Framework.

4.07 **Define the specification**

(a) The Budget Holder, with the aid of specialist functions as appropriate, is responsible for compiling the specification which must include performance criteria and any appropriate health and safety requirements. The Budget Holder must also have regard to the principles outlined in the Council's Procurement Strategy.

(b) To ensure best value, specifications should be generic and outcome- based and not limit offers of equivalent solutions.

(c) Budget Holders must use caution when communicating with potential suppliers during this stage of the process, to avoid compromising the Council's ability to maintain transparency, equal treatment and impartiality.

(d) The Procurement Plan shall capture the sign off of the final specification and terms and conditions.

4.08 **Define Terms and Conditions**

a) The Council's Standard Terms and Conditions for purchasing have been developed with legal advice to protect the Council from contract risk in the majority of instances.

b) The Budget Holder must be satisfied that the terms of and conditions of any contract that is entered into are appropriate to the purchase and safeguards the Council. Under normal circumstances for low value goods and simple services the Council's Standard Terms and Conditions may be sufficient.

c) However, consideration should be given to specifics, such as data sharing and confidentiality, insurance and health and safety, as well as other relevant issues where risk is increased. Additional terms, including social value, environmental and other elements shall be considered by the Budget holder where appropriate. Advice of the Procurement Service and Legal Service should be sought on the application of such conditions.

d) In all cases contract terms shall include a requirement for suppliers to be paid, as a minimum, within 30 days of receipt of a valid invoice and also for suppliers to pay their sub- contractors within 30 days and to pass that requirement through the supply chain.

e) In some limited circumstances the market operates in such a way as to prevent the Council from imposing its standard terms and it will be inevitable that the supplier's terms will be offered. The proposal of such clauses by the supplier may raise grounds for negotiation with the supplier prior to agreeing a contract. In such circumstances, the relevant Officer shall seek legal advice on the potential risks contracting on the supplier's terms and conditions may pose to the Council and appropriate amendments made in order to ensure that any such risks are suitably mitigated, and the final form of contract is acceptable to the Council. Where a supplier's terms and conditions are to be agreed this must first be approved by the appropriate delegated officer, following Procurement Service and/or Legal Service advice .

f) The contract terms should be fully drafted and made available at the point of advertising an open procurement procedure.

4.09 **Define Pricing**

In the case of long-term contracts (usually longer than one year) it may be necessary to include provision for inflationary and deflationary factors during the contract. A

clause should be drafted requiring the supplier to provide evidence of increased costs and any increase must be limited to the appropriate inflationary index. Due care must be taken when drafting this type of clause and when used must be approved by the Budget Holder following advice from the Procurement Service and/or the Legal Service in conjunction with the Finance Service.

4.10 **Implied Payment Terms**

(a) The following prompt payment terms are implied into all regulated below-threshold contracts (and related subcontracts):

- The Council must pay valid and undisputed invoices within 30 days (beginning with the day the invoice is received or becomes due, if later).
- The Council must notify the payees without undue delay if it disputes the invoice or considers it invalid.

(b) Any attempt to restrict or override these terms in a contract will be invalid, although there is nothing to prevent the parties agreeing to pay within less than 30 days.

5.0 MARKET RESEARCH, PRE-MARKET ENGAGEMENT

5.01 **Market Research**

Access to accurate and relevant commercial intelligence and knowledge of the marketplace is necessary in deciding which procurement option is best. Relevant markets need to be researched and understood, however, care must be taken to ensure this does not distort competition or prejudice any bidder or potential bidder. Advice may be taken from the Procurement Service to support market research.

5.02 **Premarket engagement**

(a) Budget Holders shall consider if premarket engagement is appropriate for their procurement.

(b) It can be beneficial, for example, where the requirements are

- specialist, complex or niche.
- Where the market is unknown or limited.
- Where we have an idea of the specification or requirements but want to understand further what is available to us.

- Where we want to test a potential procedure to understand its suitability.

- To assist us in the design and development of conditions of participation of the procurement tender exercise, contract award or contractual terms and conditions.

(c) No meetings or discussions shall take place during the tendering process between tenderers and the Budget holder without the prior approval of the Procurement Service.

5.03 Communication with potential suppliers

(a) All potential suppliers must receive the same detailed information that accurately reflects the business and Budget holder requirements. Information given to tenderers that relates to anticipated volumes or value of business is for guidance only. It must be clearly stated that the Council will not be bound by this information.

(b) Tenderers must not be informed of the identity of competitors, as this can lead to supplier collusion and cartels and a potential loss of confidence among tenderers as well as the potential for a claim for breach of confidentiality.

(c) All questions and answers to clarification points that may be raised by tenderers are to be administered through the e-procurement system to ensure that all tenderers receive the same information. Care should be taken to ensure that further clarification information is made anonymous before sharing with other tenderers.

6.0 SELECTING A PROCUREMENT PROCEDURE

6.01 Proportionality of sourcing strategy

(a) Advice should be obtained from Procurement Service about effective choice of procurement procedure and suppliers. There are a number of ways in which the Council can invite suppliers to tender or quote and award a commercial contract.

(b) Budget Holders should carefully consider whether the procurement procedure is proportionate to the value, risk and complexity of the requirement, whilst ensuring the requirements encourage broad participation and are accessible to all.

(c) The Act places an obligation of the Council to have regard to SMEs, for example, by reducing processes which are disproportionately burdensome on SME suppliers or transfer unfair levels of risk to the suppliers.

6.02 E-procurement platform

Suppliers can register on the Councils e-procurement platform to be alerted to an advertised opportunity. Suppliers are also able to access the Government's Find-A-Tender service.

6.03 **Identify existing Frameworks**

(a) Frameworks are public contracts and must be awarded in the same way as other public contracts. Correct selection and use of a Framework Agreement provides a compliant procurement process.

(b) A Framework Agreement is a formal tendered arrangement which sets out terms and conditions under which specific purchases can be made throughout the term of the agreement. The appropriate Budget Holder may procure supplies, services or works from the successful framework tenderer(s) in unpredicted quantities at various times during the period that the agreement is in force. For this purpose, a Framework Arrangement may be internal, i.e., set up by the Council, or external, i.e., set up by CCS, ESPO or some other central purchasing body.

(c) Consideration must be given as to whether the Council could achieve increased value for money by joining an existing consortium to enable it to benefit from using pre-tendered Framework Agreements and whether any charges for this represent a good investment.

(d) The Budget Holder must consult with the Procurement Service as to whether and how the Council is able to utilise a specific Framework Agreement and/or provider.

(e) Under the Procurement Act 2023, contracting authorities cannot award public contracts under frameworks or dynamic markets established by private companies, except where the private company is acting as the agent of a contracting authority.

(f) All Frameworks whether set up by the council or authorised framework provider will require the award of contracts under it (call offs) by competitive selection

(g) Direct awards are only permitted if there is only one supplier or if the core terms of the public contract are set and there is an objective mechanism for selection. Procurement Act explanatory notes state that core terms include key terms such as deliverables and pricing mechanism as well as basic terms such as termination, dispute, confidentiality, variation and so on. This does not apply to light touch or concession contracts.

6.04 **Creating a framework**

(a) If there is no previously existing framework agreement and the requirement is of an ongoing nature and may require more than one supplier, or if the volume of the requirement over the contract term is uncertain, the Budget Holder should consider whether creating a council run framework arrangement would be beneficial and proportionate.

(b) All call off contracts awarded under a Framework Agreement, whether Council owned framework or external framework, shall be added to the Contracts Register.

(c) When advertising for a Framework Agreement the advertisement must indicate:

- That it is a Framework Agreement which is being tendered;

- The parties eligible to participate in the Framework Agreement;
- The duration of the Agreement;
- The expected maximum number of suppliers;
- The estimated total value of the contracts to be covered by the Agreement;
- The award criteria for choosing suppliers and subsequent criteria for placing orders.

6.05 **Open Frameworks**

An open framework is defined as "a scheme of frameworks that provides for the award of successive frameworks on substantially the same terms". So, it is effectively a framework that rolls over successively and is reopened to new suppliers at set times. An open framework is a hybrid of a dynamic market (which is permanently open to new suppliers) and a conventional framework (which is not open to new suppliers post award).

6.06 **Framework Agreements**

Suppliers may be awarded business under Framework Agreements and the Budget Holder will not undertake any further supplier identification. In any case where a Framework Agreement is validly in place:

- orders will be placed against a known price and do not require further competition unless required by law;
- in circumstances where the price was not specified under the Framework Agreement an order can only be placed if further competition has been undertaken in accordance with the instructions contained within the Framework Agreement. This will be with all of the suppliers specified in the Agreement or within a specific Lot of the Agreement and no other suppliers. This competition will be undertaken utilising the Council's e-procurement system;
- the further competition must be evaluated using the criteria as stated in the Framework Agreement. If the number of suppliers within a Framework Agreement or relevant Lot is not sufficient to ensure competition the Budget holder must seek Procurement Service advice;
- when an existing Framework Agreement is to be used, particularly for services and works, it is the Budget Holder's responsibility to ensure that all specified requirements remain valid. It may be necessary to request current evidence of insurance or other certification depending on how the Framework Agreement is managed.

6.07 **Dynamic Markets**

The Procurement Act 2023 has introduced a new commercial tool, dynamic markets.

A dynamic market effectively acts as a qualification tool creating a panel of suppliers who meet the Council's conditions of participation. The Council can then award public contracts by reference to suppliers' membership of the market. Unlike dynamic purchasing systems under the previous procurement regime, the Procurement Act 2023 provides that Dynamic Market Purchasing are not limited to only common commodity contracts. Where a Dynamic Market is in place quotations will be sought using an e-procurement platform. Advice should be sought from the Procurement Service if they wish use of a Dynamic Market.

6.08 **Concession Contracts**

(a) Under the previous regime, Concession Contracts had their own stand-alone regulations with their own procurement process. The Procurement Act 2023 includes what is traditionally considered as procurements (i.e. above and below threshold, open and competitive) but also now includes and regulates Concession Contracts.

(b) A Concession Contract is a contract for the supply of works or services where the supplier receives payment, from either the Council or a third party, but crucially is also exposed to a real operating risk.

(c) The general rule under the Procurement Act 2023 is that concessions are treated exactly the same as Above Threshold or Below Threshold procurements. However, there are exceptions to the general rule and in some instances specific provisions provide additional flexibility for concessions. These are:

- the obligation to publish information about payments under public contracts does not apply to concession contracts;
- the obligation to publish payments compliance notices does not apply to concession contracts; and
- the obligation to set and publish key performance indicators does not apply in relation to concession contracts and therefore the obligation to publish related performance information in the contract performance notice also does not apply.

(d) Below Threshold contracts, the Contract Procedure Rules provisions apply. There is no difference in the threshold for a concession contract for the supply of works and a concession contract for the supply of services.

(e) For Above Threshold Concession Contracts, the council must go to tender via the Open or Competitive Procedure below.

(f) A compliant valuation must be completed for each Concession Contract, irrespective of whether it is above or below threshold.

(g) A concession contract must also include the right to exploit the works or services during the contract period. Therefore, the value calculation for each concession contract must take into account the full range of potential income to be received

by the supplier over the length of the contract, including any renewals or extensions.

(h) When valuing a Concession Contract it is important to remember that revenue is not estimated profit and should not be reduced by factoring in costs expected to be incurred by the supplier. Other remuneration such as premiums, fees, commissions, receipt of assets, sale of assets must also be incorporated into the valuation.

6.09 Below threshold process

For below threshold contracts Budget Holders should refer to the table in Appendix A. The Budget Holder shall continue to have regard to most advantageous contract award and the corporate priorities however they may consider where appropriate direct awards or a quotation exercise.

6.10 Other compliant procurement procedures

(a) The Act introduces 'Exempted' Contracts and Contracting Authorities. Some contracts and contracting authorities are fully exempt from the Procurement Act. This means that the Act does not need to be followed (although commercial best practices may be applied where it is appropriate to do so).

(b) An exempt contract is a type of contract listed in schedule 2 to which the Procurement Act 2023 generally does not apply.

(c) Schedule 2 part 1 covers contracts that are always exempt due to the nature of the relationship between the contracting authority and the other party to the contract ("counterparty exempted contracts").

(d) Schedule 2 part 2 covers contracts that are exempt because of the nature of the subject matter of the contract ("subject matter exempted contracts").

(e) This section of the Act codifies Vertical arrangements (previously often referred to as "Teckal" contracts) and Horizontal arrangements (previously often referred to as "Hamburg" contracts)

7.0 PROCURE PHASE

7.01 Above threshold procedures

(a) For all procurement requirements above the Procurement Act 2023 thresholds a compliant procurement route must be used when awarding a contract.

(b) There are now only two types of procurement procedure under the Procurement Act 2023:

- The “Open Procedure.”
- The “Competitive Flexible Procedure.”

(c) The **most advantageous tender** is the tender that the contracting authority considers best meets its requirements and satisfies the award criteria (by reference to the assessment methodology and, if more than one criterion) weightings.

- The Open Procedure allows the Council to award on the basis of lowest price, where price is the sole criterion, or to a supplier submitting a tender that scores best across a range of price and quality criteria.
- Government guidance on assessing tenders means that the Council need not award on the basis of lowest price, or that price must always take precedence over non-price factors.

7.02 **Open Procedure**

(a) This procedure is preferred by the Council, as it has the shortest timescales and is arguably most transparent. Any company who accesses the tender following the published hyperlink will be allowed access to the Invitation to Tender (ITT). The open procedure is suitable for simple procurements where the requirement is straightforward. It is most commonly used in practice for the purchase of goods where the requirement can be clearly defined, and the Council is seeking the least expensive supplier.

(b) As there is no "pre-qualification" of bidders, anyone can submit a tender and it is possible that a large number of suppliers will bid. The Council also retains the ability to disregard any tenders in accordance with section 19 of the Procurement Act 2023.

7.03 **Competitive Flexible Procedure**

(a) The competitive flexible procedure is non-prescriptive, leaving the Council with considerable flexibility to design something to suit its specific requirements and are likely to be multi-staged.

(b) So, the Council may have a first stage inviting tenders to a price negotiation stage for those successful at the first stage. Or the Council may choose to pre-select suppliers by reference to essential requirements and only accept tenders from those meeting the minimum conditions.

(c) Examples of supplementary stages include

- Participation stage,
- Nondisclosure Agreement, confidentiality stage

- Clarification processes
- Dialogue and negotiation
- site visits
- supplier presentations and product demonstrations
- Interim assessment of tenders to narrow competition
- Limiting the number of participating suppliers (generally, or at different tendering rounds.
- Refining the award criteria
- Limiting the number of lots which suppliers can tender for.
- Excluding suppliers by reference to the conditions of participation or an intermediate assessment of tenders against the award criteria and assessment methodology; or that are not UK or treaty state suppliers (or who intend to subcontract all or part of the contract to such entities).

(d) The Council must not allow suppliers to participate in a competitive flexible procedure where they did not submit a tender in the first round of tendering or were knocked out in an earlier round.

(e) Officers will follow the appropriate procedures as detailed in the Procurement Act 2023. There are strict rules around contract value thresholds and mandatory timescales, including a standstill period of eight working days between notification of a preferred contractor and the award of the contract. Officers must ensure that all mandatory timescales are adhered to. Officers wishing to use a Competitive Flexible Procedure should seek advice from the Procurement Service.

7.04 **Starting a Tender Procedure**

(a) All tenders shall be advertised electronically.

(b) The Council will publish a tender notice (essentially, the advert inviting tenders or requests to participate) when starting a competitive tendering procedure (section 21, Procurement Act 2023).

(c) The Council will provide any associated tender documents in accordance with the tender notice. Such documents may comprise the specification, terms and conditions of contract and the award criteria and assessment methodology.

(d) To avoid delays and decrease the likelihood of disputes and poor-quality tenders, the Council will focus on early preparation of sufficient information that will enable tenderers to bid (for example, contract terms, specification and so on).

7.05 **Time limits and submission deadlines**

(a) The Council must have regard to factors such as the nature and complexity of the contract when setting time limits, but that in any event the time limits must not be less than the minimum time periods set out in section 54 of the Procurement Act 2023. This section sets out periods that suppliers must be given for the submission of tenders (tendering period) and requests to participate (participation period) under a competitive tendering procedure. Each supplier must be given the same amount of time.

(b) Suppliers can expect less time for certain procurements if there is a state of urgency, or if a planned procurement notice has been published. Suppliers may also in theory be given less time to submit tenders for light touch contracts, since no minimum period applies.

7.06 **Conditions of participation**

(a) Section 22 of the Procurement Act 2023 enables the Council to set conditions of participation (known as selection criteria under the existing procurement regime) when awarding a public contract following a competitive tendering procedure. Conditions of participation, which must be included in the tender notice, are conditions that a supplier must satisfy if it is to be awarded the contract. The Council can only set conditions to the extent they are considered a proportionate means of ensuring suppliers have either:

- The legal and financial (previous procurement regime was economic and financial) capacity to perform the contract.
- The technical ability (previous procurement regime was technical and professional ability) to perform the contract.

(b) As long as they are proportionate, the Procurement Act 2023 does not prescribe how suppliers should demonstrate how they satisfy conditions of participation. The Council is also generally free to set conditions of participation as they see fit, including conditions relating to suppliers' experience, qualifications or technical ability, except that the Council cannot:

- Require suppliers to have been awarded a contract by the Council.
- Break the rules on technical specifications (section 23)
- Require particular qualifications without allowing for their equivalents.
- Require submission of audited accounts (unless required to have their accounts audited under the Companies Act 2006).
- Require insurance relating to performance of the contract to be in place prior to award.

(c) Suppliers can rely on a supplier that is associated with it for the purposes of satisfying the conditions. A supplier is associated with another supplier if the suppliers are submitting a tender together, or the suppliers will enter into a legally binding sub-contracting or performance guarantee arrangement (section 22(9), Procurement Act 2023).

(d) Government guidance on conditions of participation offers some practical tips on setting conditions of participation. While there is no longer a requirement on the Council's part to use a standardised selection questionnaire, as under the Public Contract Regulations 2015, templates can still be used provided that they comply with the Procurement Act 2023 requirements.

8.0 AWARD CRITERIA

(a) Award criteria must relate to the subject matter of the contract and will:

- Be sufficiently clear, measurable and specific.
- Not break the rules on technical specifications (section 23).
- Be a proportionate means of assessing tenders.

(b) The Council has an express right to refine award criteria (and their associated weightings), during a competitive flexible tendering procedure (not an open procedure), if:

- The tender notice or associated tender documents provide for the refinement of the criterion.
- Suppliers have not yet been invited to submit (final) tenders.
- The refinement would not, had it been made earlier, have resulted in one or more suppliers making it through an earlier round.
- If a refinement affects a tender notice or associated tender document, these will be modified and provided again. There is no express requirement on the Council to consider any appropriate refinement to time limits, although advice should be sought from the Procurement Service in relation to any refinements.

8.01 **Modifying the Award Procedure**

The Council has an express power to modify the terms of a procurement before certain key deadlines have passed

- For an open procedure, before the deadline for submitting tenders.
- For a competitive flexible procedure, before the deadline for requests to participate, if applicable, or the deadline for submitting the first or only tender; or before the deadline for the final tender, if the modification is not substantial or relates to a light touch contact.

9.0 DYNAMIC MARKETS

9.01 Conditions of Participation for Dynamic markets

(a) A dynamic market effectively acts as a qualification tool creating a panel of suppliers who meet the contracting authority's conditions of participation. The Council can award public contracts by reference to suppliers' membership of the market. It is not limited to only common commodity contracts.

(b) Before establishing a dynamic market, The Council will publish a dynamic market notice stating its intention to do so. Once established, a further notice is required as soon as reasonably practicable confirming this.

(c) The Council can set conditions of membership for a dynamic market (or part of it) where considered a proportionate means of ensuring members have the legal and financial capacity and technical ability to perform any contracts awarded to them.

(d) Conditions of membership cannot be modified during the period of the dynamic market, so the Council will ensure these are clear and appropriate from the outset.

(e) The Council reserves the right to charge fees to suppliers. The documents which establish the dynamic market can provide that suppliers must pay fees when they are awarded a contract by reference to their market membership; this must be a fixed percentage of the contract value (section 38, Procurement Act 2023).

(f) For utilities dynamic markets, fees can be charged but only in connection with obtaining and maintaining membership of the market.

(g) Dynamic market notices will be published whenever a dynamic market is modified or ceases to operate. However, the requirement to publish a notice when the market ceases to operate does not apply to private utilities.

9.02 Membership of a Dynamic Market

The Council will:

- Accept applications for membership of a dynamic market (or part of it) at any time during the life of the market and consider those applications within a reasonable period. The number of members cannot be limited.

- Admit all suppliers (unless excluded or excludable) satisfying the conditions for membership to the market as soon as reasonably practicable.

- Inform suppliers of the outcome of their application (and reasons for their decisions) as soon as reasonably practicable.

- Remove a supplier from the market if the supplier is entered onto the debarment list for a mandatory exclusion ground (and inform the supplier of its decision to do so).

- The Council has the discretion to remove suppliers from a dynamic market if they are an excluded supplier (but not on the debarment list), no longer satisfy the conditions for membership or if the supplier has become an excludable supplier since it joined the market. Again, before removing the Council will inform suppliers of their decision together with reasons.

9.03 **Awards by reference to dynamic market membership**

(a) The award of public contracts by reference to a dynamic market will be done via a competitive flexible procedure. Before excluding or disregarding tenders from suppliers who are not already members of the market, the Council will generally consider any applications for membership made by such suppliers.

(b) Only in exceptional circumstances due to the complexities of the procurement, which mean that the deadline for submission of tenders/ requests to participate does not allow the contracting authority to consider the supplier's application for membership in time, can a supplier be excluded or their tender rejected because they are not a member of a dynamic market (section 34(5)).

(c) Concession contracts cannot and will not be awarded by reference to a dynamic market, unless they are also utilities contracts.

(d) The Council *will* disregard any tender that does not satisfy the conditions of participation.

(e) When awarding a contract by reference to a dynamic market, the Council *will* disregard a tender from a supplier that is not a member of the dynamic market or part of the dynamic market.

(f) The Council *may* disregard any tender from:

- a supplier that is not a UK supplier or treaty state supplier, from a supplier that intends to subcontract the performance of all or part of the contract to a supplier that is not a UK supplier or a treaty state supplier,

- which breaches a procedural requirement (including a requirement that a supplier provide information) set out in the tender notice or associated documents (this might cover late submission or being over the prescribed word count;

- which offers an abnormally low price if the supplier cannot demonstrate that it will be able to perform the contract at that price).

10.0 PROCEDURES FOR USING FRAMEWORKS

(a) There is no requirement to publish a Tender Notice if the Council advertises to a closed group of pre-selected suppliers (for example, suppliers on a framework) or from one or more targeted individual suppliers, provided that the procurement is not advertised in any other way such as in a newspaper or a local website or portal.

(b) There may be circumstances when it will also be necessary to place an advertisement in a local newspaper, trade journal, local partnership network, or social media where appropriate, to invite potential suppliers to register on the above e-procurement systems to obtain access to the opportunity. This will particularly be the case where it is deemed that insufficient suppliers are registered for a specific category of products or services to achieve a reasonable level of competition. Such an advertisement may only be raised with the approval of the Head of Service and will include the website address for the relevant e-procurement system.

11.0 BELOW PROCUREMENT ACT 2023 THRESHOLD CONTRACTS

(a) The Council must publish a below-threshold tender notice if they advertise (that is, for the purpose of inviting tenders) a below-threshold contract with an estimated value of or more than £30,000 (including VAT).

(b) Before inviting the submission of tenders, have regard to the fact that small and medium-sized enterprises may face particular barriers in competing for a contract, and consider whether such barriers can be removed or reduced.

(c) Not restrict the submission of tenders using an assessment of a supplier's suitability to perform the contract[1] e.g. their legal and financial capability or their technical ability (with the exception of works contracts above services threshold).

(d) The Council must publish a contract details notice for notifiable below-threshold contracts as soon as reasonably practical after entering it, regardless of whether they originally invited tenders for that contract.

(e) Quotes in accordance with these Contract Procedures Rules will not trigger a requirement to publish a below threshold tender notice

11.01 Amendments to below threshold contracts

The rules governing variations to existing contracts in the Procurement Act 2023 does not apply to below threshold contracts, so low value contracts can generally be varied without restriction. However, note that if a below threshold contract is amended and the amendment causes the contract to tip over the financial threshold for that contract, the amendment will be governed by the Procurement Act 2023's rules on variations. Below threshold guidance comments that, after this, the contract should be treated as a public contract rather than a below threshold contract.

12.0 DUE DILLIGENCE

(a) The Council is committed to obtaining value for money through the procurement of all goods, services, works and capital projects. It is essential to ensure that only the most capable suppliers are selected as suppliers to the Council.

(b) The selection and elimination of suppliers within a procurement exercise can only be made on grounds of capability and that assessment should include a balance

of technical, professional, and financial issues as appropriate. It is essential that any criteria used to select suppliers are notified to them in advance. This information should be contained within documents published through the applicable e-procurement platform.

(c) Potential suppliers should be requested to provide accounts for the past two years of trading as part of the procurement process where appropriate (the Procurement Service will advise where this may be required). In the absence of audited statements, other information should be requested that is considered sufficient for assessment purposes. Potential suppliers such as SMEs and public service mutuals may have been recently formed and be unable to provide accounts for the previous two years or to provide any filed accounts at all. The Budget holder should know the level of flexibility required towards potential suppliers from information gained through market research. Other information that may demonstrate the potential supplier's economic and financial standing can include, but is not limited to:

- parent company accounts (if applicable);
- deeds of guarantee and performance bonds (e.g., directors/parent company/personal);
- bankers statements and references;
- accountants' references;
- management accounts;
- financial projections, including cash flow forecasts;
- details and evidence of previous contracts, including contract values; and
- capital availability.

(d) If a potential supplier is not selected, there must be clear and demonstrable evidence of financial risks, capacity or capability issues over and above a simple turnover or ratio measure.

(e) Budget Holders should not impose arbitrary minimum requirements which may have the unintended effect of barring new businesses from bidding and in the spirit of encouraging supplier growth, the supplier evaluation process should not rule out a potential supplier unless there is clear evidence that the supplier's financial position places the Council or services at unacceptable risk.

(f) This should include the consideration of the level of insurances required. Whilst the Standard Terms & Conditions include a requirement for £10 million minimum cover for Public Liability, Budget Holders should set the minimum requirements for Employers Liability and Professional Indemnity Insurance at an appropriate value relative to the contract risk, and may wish to consult the Head of Finance, the Monitoring Officer or the s151 Officer before fixing limits. Note that legally Employers Liability must be a minimum of £5 million.

(g) Where open advertisements are used to attract potential suppliers the selection process will form a qualifying stage of the tender exercise. Qualification can only

be assessed on the grounds of financial soundness, capacity and professional and technical ability. There are 2 ways in which this process can be used, either

- the pre-qualification questionnaire is made available to all suppliers expressing an interest and only the suppliers that meet the required standard are then allowed access to the full tender documents (**Competitive Flexible Procedure**); or

- suppliers are issued with the full Invitation to Tender (**ITT**) document of which the qualification section forms the first element (**Open Procedure**)

13.0 FINAL REPORT

A tender report should be completed as part of the Procurement Plan and submitted to the appropriate officer for approval to award.

14.0 DIRECT AWARDS

14.01 These are to be distinguished entirely separately from Framework Agreements**.**

14.02 **Key Principles**

(a) Direct awards can be made below the Procurement Act 2023 Thresholds but must comply with the directions in these Contract Procedure Rules.

(b) The Council may only directly award an above-threshold public contract when section 41 (and one or more of the justifications in Schedule 5), section 42 or section 43 of the Procurement Act 2023 apply, as set out in more detail below.

14.03 **Direct Award – Below threshold**

The rules of these Contract Procedure Rules shall apply to all Below Threshold Direct Awards.

14.04 **Direct Award – Above threshold**

(a) **Section 41** of the Procurement Act 2023 precludes the Council awarding to an Excluded Supplier, unless there is an overriding public interest, being:

- the award is necessary for the construction, maintenance or operation of critical national infrastructure;

- the award is necessary to ensure the proper functioning of a sector on which the defence, security or economic stability of the UK relies;

- not awarding the contract to the supplier would prejudice the conduct of military or security operations or the effective operation of the armed forces or intelligence services;

- the contract is being awarded under the urgency provisions in Schedule 5, paragraph 13, and cannot be awarded to, or performed by a supplier that is not excluded supplier within the necessary time frame.

(b) The urgency provisions (Direct Award Justifications) under Schedule 5 are:

- Where deemed necessary by regulations to protect life, health or public safety.

- Where the contract is for the supply of user choice services, as designated by regulations and supplied for the benefit of the individual. To apply, the individual to receive the services must have expressed a preference of supplier or there must be only one supplier capable, and the contracting authority must consider that it is not in the best interests of the individual to competitively award the contract.

- The supply of prototypes or the testing, viability research or development of other novel (that is, developed at the request of the contracting authority) services.

- The creation or acquisition of a unique work of art or artistic performance.

- Only one supplier can supply the goods, works or services because of intellectual property or other exclusive rights and there are no reasonable alternatives.

- Only one supplier can supply the goods, works or services due to the absence of competition for technical reasons and there are no reasonable alternatives.

- The extension or partial replacement of existing goods, services or works by the existing supplier where a change in supplier would result in receiving different or incompatible goods or services, resulting in disproportionate technical difficulties in operation or maintenance.

- The supply of similar goods, services or works by an existing supplier where the existing contract was awarded competitively to the existing supplier in the last five years and the tender notice for the award specifically mentioned the contracting authority's intention to use this direct award justification.

- The goods, services or works are strictly necessary because of extreme and unavoidable urgency and cannot be awarded in a competitive tendering procedure. The extreme and unavoidable urgency must be unforeseeable.

(c) Advice must be sought from the Procurement Service and/or Legal Services if the Council intends to rely on any of these Direct Award Justifications.

(d) **Section 42** of the Procurement Act 2023 is a standalone provision that allows an Above Threshold Direct Award to protect life, in the absence of regulations to protect life under Schedule 5.

(e) **Section 43** of the Procurement Act 2023 permits the Council to award a public contract directly to a supplier that is not an excluded supplier, if the Council:

- Has invited suppliers to submit tenders as part of, or requests to participate in, a competitive tendering procedure.

- Has not received any suitable tenders or requests in response (which includes evidence of collusion or materially breaching a procedural requirement of the tender notice or documents).

- Considers that a competitive award is not possible in the circumstances.

- Subject to any legal limitations, the Procurement Service in consultation with the s151 Officer or an Executive Director, having consulted the Monitoring Officer (or their nominated deputy), may approve an waiver to any part of these Contract Procedure Rules that is necessary because of an Operational Emergency creating immediate risk to life, persons or property within the City or causing serious disruption to Council services (including any emergency or disruption under the Civil Contingencies Act 2004). An Operational Emergency is a situation that is the result of an unforeseen event over which the Council has no control. This procedure must not be used when a requirement has become late due to lack of planning on the part of the Council.

- Full documentation must be completed regardless of the urgency of the requirement and a full and transparent audit trail must be made throughout the procurement process. Where the value of the Contract is over £500,000 a report supporting the use of this power must be taken to Cabinet at the first available opportunity.

14.05 **Switching to direct award**

(a) The Council may award a public contract directly to a supplier that it not an excluded supplier, if the Council:

- Has invited suppliers to submit tenders as part of, or requests to participate in, a competitive tendering procedure.

- Has not received any suitable tenders or requests in response (which includes evidence of collusion or materially breaching a procedural requirement of the tender notice or documents).

- Considers that a competitive award is not possible in the circumstances.

(b) The Council may carry out a selection process after switching to direct award, for the purposes of awarding a contract. This allows for some informal competition or selection process. However, before awarding the contract, they must also consider whether the proposed supplier is an excludable supplier or had submitted an unsuitable tender in response to the initial competitive tendering procedure.

15.0 WAIVERS

(a) In exceptional circumstances and subject to the law when there are justifiable technical, specialist or market supply reasons and insufficient suppliers are available from the market to enable competitive offers to be obtained, any requirement to seek more than one tender or quotation may be waived, subject to authorisation in advance by the manager of the Procurement Team (or their nominated deputy).

(b) Where the value of a single waiver request, or the sum of cumulative waiver requests are £100,000 (excluding VAT) or higher the s151 Officer, in consultation with the Monitoring Officer, (or their nominated deputies) shall be required to dual authorise.

(c) Request for a waiver must be submitted by the relevant Head of Service to the Procurement Service. All associated documentation must be retained in accordance with the Council's Document Retention policy when a waiver is authorised. Officers should be aware that records of waivers may be published.

16.0 CONTRACT AWARD, STANDSTILL PERIOD AND CONTRACT DETAILS

16.01 **Assessment summary**

(a) Before entering a public contract, the Council will provide an assessment summary to each supplier that submitted an assessed tender (these are given privately and are not published on the central digital platform). The Council shall use its e-procurement portal. The summary will contain information about the Council's assessment of the tender and, if different, the most advantageous tender submitted in respect of the contract.

(b) That assessment summary will include:

- The award criteria.
- How the successful tenderer scored (total and sub-total) against that award criteria including an explanation of each score by reference to information in the tender and how the tender was assessed by reference to any sub-criteria.
- How the supplier scored (total and sub-total) against the award criteria to the extent that the tender was assessed against that criteria.
- Any other explanation of why the contract is not being awarded to the supplier including for example disqualification for failure to meet one or more criteria.

(c) Under the Procurement Act 2023, an assessment summary replaces the requirement for a debrief or standstill letter.

16.02 **Contract award notice**

(a) After giving the assessment summaries (but before entering into a public contract), the Council will publish a contract award notice stating that the Council intends to enter into the contract and containing any other information to be specified in regulations.

(b) Contract award notices will also be published when awarding call off contracts under frameworks or dynamic markets (assuming that these contracts are above threshold).

16.03 **Standstill period**

(a) Publishing a contract award notice triggers the start of a mandatory eight working day standstill period. The Council will not enter into (sign) the contract until the mandatory standstill period (or any longer standstill period stated in the contract award notice) is over.

(b) Light touch contracts, awards under frameworks or by reference to dynamic markets, direct awards for urgency or protection of life or direct awards by a private utility do not need to provide a mandatory standstill period. However, the Council, when awarding these contracts, can still refer to a voluntary standstill period in their contract award notices. Any voluntary standstill period must be complied with.

16.04 **Contract details notice and publication of contracts**

(a) Subject to exceptions for private utilities and directly awarded user choice contracts, the Council will publish:

- A contract details notice confirming that it has entered into a contract.
- For contracts over £5 million, a copy of the contract.

  This includes when entering into an above threshold call off contract under a framework or dynamic market.

(b) The contract details notice must be published:

  i. For light touch contracts, within 120 days of the date the contract was entered into.

  ii. For all other public contracts, within 30 days of the day the contract was entered into.

(c) A copy of the contract will be published within 180 days of entry into the contract (for light touch contracts) or 90 days (for all other contracts).

17.0 FORM OF CONTRACT

17.01 **Contract formation**

(a) Purchase Contracts should ordinarily be utilised in addition to Purchase Orders for requirements of £100,000 or over (excluding VAT) in value. For specific requirements below £100,000 (excluding VAT) a contract will also be appropriate where:

- supply will extend beyond one year;
- special conditions apply;
- the requirement is complex; or
- there is significant risk associated with the purchase.

(b) When a Purchase Contract is in place it must be used in preference to sourcing a requirement from another supplier. All Purchase Contracts must:

- be in writing; and must specify the supplies, materials or services to be supplied, the price to be paid and must contain a statement as to the amount of any discount or other deductions, the period within which the contract is to be performed and such other conditions and terms as may have been agreed between the parties through the tender process; and
- include a clause prohibiting the contractor from transferring or assigning or sub-letting to any person any portion of the contract without the written permission of the Council signified by the appropriate Head of Service; and
- contain a clause empowering the Council to cancel the contract and to recover from the contractor the amount of any resulting loss if the contractor or any person employed by him/her or acting on his/her behalf whether or not to his/her knowledge shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for taking or for not taking any action in relation to the contract or any other contract with the Council, or shall have committed any offence under the Bribery Act 2010, or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.
- incorporate the Council's Standard Terms & Conditions, unless the parties agree to the contrary or it is considered inappropriate to do so by the Section 151 Officer following legal advice.

(c) Every contract whose estimated value is £100,000 or over (excluding VAT) must where possible provide for the payment of liquidated damages by the contractor where he/she fails to complete the contract within the time specified.

17.02 **Execution of Purchase Contracts**

(a) Purchase contracts may (at the discretion of the Monitoring Officer) be under seal (particularly for contracts regarding construction, land or property), but where the value is over £5,000 they must always be signed by an Executive Director or a Head of Service. (Only those officers authorised to attest the seal may authorise use of the seal.)

(b) Heads of Service may authorise officers in their service area to sign contracts with a value of under £5,000 for specific purposes but must retain a list of those they designate and the types of contract they may sign. Heads of Service must maintain that list and produce to the s151 Officer and Monitoring Officer on request that list of those Officers whom they have authorised to sign contracts on their behalf.

(c) Entering into arrangements of any nature without first ensuring that an appropriate agreement (e.g., simple contract, deed, lease, transfer, or other relevant documentation setting out the terms and conditions of the agreement) has been executed by all relevant parties to the agreement is not permitted unless the conditions within the following paragraph have been met.

(d) If an Officer finds themselves in a situation where a third party is pressuring them to enter into an arrangement (whether that arrangement is proposed to be under a simple contract, deed, lease, transfer, or other documentation setting out the terms and conditions of the agreement) without the relevant agreement being properly executed by all parties to the arrangement, they must not do so unless they have first secured the written consent of at least two of the following individuals:

- Executive Director;
- Monitoring Officer;
- Section 151 Officer,

and such written consent is properly documented and retained for future audit purposes in accordance with the retention periods set out.

(e) Copies of all contracts, including those with a value under £5,000, must be retained.

(f) Hard copies of contracts will be stored in the Contract Safe strongroom, as well as being scanned. An electronic copy should be held for officers to access via a link in the database.

(g) All contracts which have a value of over £5,000 must also be notified by the Budget Holder to the Procurement Service for the details to be entered on the published Contracts Register.

18.0 MANAGE PHASE

The obligations in the Procurement Act 2023 do not end once the contract is signed and published. There are obligations that continue until the contract has been completed or terminated. The Contract Manager will need to be aware of these ongoing obligations in the Act.

18.01 **Purchase order**

(a) The standard Purchase Order is generated by the finance system and must be utilised for all individual requirements and to call off requirements from existing

Contracts. There are very limited exceptions to this requirement and circumstances should be checked with the Procurement Service. The Purchase Order will be completed with all the appropriate details of the purchase and the Standard Terms & Conditions are referred to on the supplier's copy of the Purchase Order. The Purchase Order shall include details of the Contract Register entry number

(b) The use of supplier-prepared agreements is not acceptable, except in limited circumstances (and with the agreement of Procurement Services with advice from Legal Services) as the whole contract will be placed on the supplier's terms and conditions, which are unlikely to be favourable to the Council.

(c) Purchase Orders shall not be issued to a supplier until an approved and signed contract is in place

18.02 **Receipt of goods & services and payment**

(a) Payment cannot be made until all supporting documentation has been completed. It is essential that receipt acknowledgements and invoices are provided promptly to the Payments Team in the finance area by the Budget Holder after receipt of the goods or services. Invoices should in the first instance be sent directly to the Payments Team.

(b) Before an invoice is paid by the Payments Team the following checks need to be completed to certify the specific invoice is passed for payment by confirming the following:

- the VAT invoice is an original or certified copy;
- the goods and or services were received;
- that the prices and all costs were agreed and invoiced correctly;
- applicable credits and or discounts have been applied;
- the arithmetic calculations are correct.

(c) The Payments Team will process invoices promptly for payment. The Council is targeted by the Government to achieve all payments to suppliers within 30 days of receiving an invoice.

(d) The Council has a No Po No Pay Policy in place and the Payments Team shall return all invoices unpaid to the supplier if not adhered to.

18.03 **Publication of KPIs and performance information**

(a) Unless awarding a framework, concession contracts or light touch contracts, the Council must set and publish at least three key performance indicators (KPIs) before entering into a public contract for more than £5 million unless the Council considers that KPIs are not appropriate to assess the supplier's performance.

The Council will:

(b) Where it has published KPIs under section 52, at least annually during the lifetime of the contract, assess the supplier's performance against the KPIs and publish certain information in relation to that assessment.

(c) Publish information about the supplier's non-performance or breach within 30 days, where either the supplier has:

- breached the contract resulting in termination, award of damages or a settlement agreement;
- poorly performed and has not improved performance despite the opportunity to do so.

This requirement will not apply to light touch contracts or private utilities.

19.0 CONTRACT MANAGEMENT

19.01 **Contract management – lifecycle**

(a) The score achieved in the assessment of contract risk tiering will indicate the level of contract management required and the appropriate approach to take.

(b) Contract Managers shall adhere to the requirements of the Contract Management Framework

(c) The Procurement Team shall from time to time undertake a program of peer reviews of significant contracts. These reviews will assess internal controls, compliance, record keeping, cost and scope changes, performance management, delivery of social value and benchmarking if appropriate.

19.02 **Variations**

(a) The Council can only vary public contracts and "convertible contracts" in one of the following circumstances:

- The modification is a "permitted modification".
- The modification is not a "substantial modification"
- The modification is a "below-threshold modification"
- The contract is a light touch contract.

(b) Except in limited circumstances, all contracting authorities varying their contracts will be required to publish a contract change notice

19.03 **Permitted modifications**

(a) Urgency and the protection of life. The modification could otherwise be done using a direct award for extreme or unavailable urgency or the need to protect life.

(b) Materialisation of a known risk. The modification is required to manage a known risk which has materialised through no fault of the contracting parties but prevents the contract from being delivered to the Council's authority's satisfaction and, additionally, the Council must consider that it would not be in the public interest to award a new contract (instead of modifying the existing one) and the amendments must not increase the estimated value of the contract by more than 50%.

(c) Where the modification is expressly provided for in the contract.

(d) Unforeseeable circumstances. The circumstances could not reasonably have been foreseen by the Council prior to award, the modification would not change the overall nature of the contract and would not increase the estimated value of the contract by more than 50%. (The 50% condition does not apply to utilities contracts.)

(e) Additional goods, services or works. The modification is for additional goods, services or works and using a different supplier would result in supplies that were different from, or incompatible with, those already in the contract.

(f) Using a different supplier must also, in the Council's view, result in disproportionate technical difficulties in operation or maintenance or other significant inconvenience and substantial duplication of costs for the Council/ The proposed variation must also not increase the estimated value of the contract by more than 50%. (The 50% requirement does not apply to utilities contracts.)

(g) Transfer on corporate restructuring. The modification is the novation or assignment of a public contract to a supplier (provided they are not excluded) following a corporate restructuring or similar circumstance.

19.04 **Substantial modification**

A substantial modification is one which may:

- Increase or decrease the term of the contract by more than 10%.
- Materially change the contract scope (that is, provide for services, works or goods not already provided for under the contract).
- Materially change the economic balance of the contract in favour of the supplier.

19.05 **Below-threshold modifications**

Changes are permitted where they satisfy all of the following:

- Do not increase or decrease the value of the contract by more than 10% (for goods or services) or 15% (for works).

- Do not meet the criteria for a permitted modification or non-substantial modification.

- Do not materially alter the scope of the contract (that is, provide for goods, works or services not originally provided for).

- The aggregated value of below-threshold modifications is below the relevant financial threshold for the type of contract. As now, contracting authorities will therefore need to determine the value of any below-threshold modifications cumulatively throughout the term, to ensure that their total value falls below the relevant financial threshold.

19.06 **Contract change notices**

(a) The Council will publish a contract change notice before it proceeds to vary a public contract.

(b) This is not, however, required if either:

- The contract is a light touch contract or awarded by a private utility.

- The proposed change increases or decreases the contract value by less than 10% (goods or services) or 15% (works); or increases or decreases the term by 10% of less than the maximum provided for on award,

unless the proposed variation involves a permitted change in supplier.

(c) Contract change notices may specify a voluntary standstill period, which must not be less than eight working days from the date the notice is published.

(d) Contracts must not be varied during any voluntary standstill period (Modifying a contract during any voluntary standstill period may give rise to a claim in damages or set aside).

(e) Where a contract notice is required and the contract is worth (before or after the modification) more than £5 million, the Council must also publish a copy of the modified contract or the modification itself within 90 days of the date the change is made.

19.07 **Cancellation of purchase order/contract**

All requests for cancellation must be made in writing to the supplier by the Budget Holder who initiated the contract. For complex contracts advice must be sought from the Procurement Service and/or Section151 Officer and legal advice sought as required. Formal cancellation of the purchase order must be made in writing, ensuring the Payments Team are informed. The details of any discussions and clarification between the Budget holder and the supplier should be recorded with the

reasons for cancellation and the outcomes of any discussion.

19.08 **Termination due to supplier non-performance**

(a) If the Supplier is not meeting their contractual obligations and discussions fail to resolve the matter, the Purchase Order/Contract may need to be terminated.

(b) The Budget Holder should consider the consequences of the cancellation with regard to:

- the Budget holder's needs;
- project timing and cost;
- overall relationship between the Council and the supplier;
- the Council's performance in the contract;
- contractual implication from the supplier's point of view;
- future and other outstanding business with that supplier; and
- the possibility of negotiating damages or consequential losses in line with the provisions of the contract conditions.

19.09 **Termination Notice**

(a) Publication requirements that apply under the Procurement Act 2023 include, for above threshold contracts, a Contract Termination Notice. This is mandatory when a public contract is terminated / comes to an end. This shall be issued within 30 days from the day the contract ends.

(b) For below threshold contracts the Council may voluntarily publish a Contract Termination Notice at contract end.

19.10 **Exit strategy**

(a) As the contract progresses the Budget Holder will have responsibility for ensuring that both parties are working towards the planned exit of the contract which, for example, may involve a review of service provision not less than 6-12 months prior to the termination date.

(b) The Budget holder will also be responsible for undertaking the procurement process for securing subsequent supply arrangements if required. For the majority of service contracts, it will be important to have built into the contract the requirements from the contractor should a change of supplier be appropriate at

contract expiry. This might include provision of staff information to facilitate TUPE or the transfer of Council data from an existing system provider to a new contractor.

(c) Part of the exit strategy should involve ensuring that a review of the contract and supplier's performance and an assessment of lessons-learned are undertaken to inform future contracts.

20.0 DECOMMISSIONING

20.01 Disposal of assets

(a) Disposal and/or reallocation of assets needs to be managed with the same diligence as the acquisition process. The Council has a duty of care regarding the disposal of equipment where environmental issues are appropriate.

(b) Budget Holder shall follow the appropriate Council procedure on asset disposal and see guidance from the Finance team.

(c) Where appropriate the Budget Holder shall ensure the Councils Asset Register is updated.

(d) Before an item is disposed of, consideration should be given as to whether there is a use for the item elsewhere within the Council. All options must be explored and a record kept of the decisions made. It is the responsibility of each Head of Service to establish that legal title rests with the Council prior to the disposal of any item. Disposal of land will in all cases require advice and guidance from the Head of Service - Property & Economic Development, as set out in the Council's Financial Regulations.

21.0 RECORD KEEPING AND RETENTION OF DOCUMENTS

21.01 Procurement Act 2023 obligations

(a) The Act places obligations on Contracting Authorities to keep certain records for each procurement they undertake. These obligations are set out in section 98 and cover:

- any communications with suppliers in relation to the award of or entry into a contract, made before the contract is entered into; and
- documentation that is sufficient to explain a material decision made during the award of or entry into a contract.

(b) A decision is material if the contracting authority is required to publish or provide a notice, document or any other information relating to it, or if the contracting authority is required, by the Act, to make the decision.

(c) These records must be kept for a minimum period of three years following entry into the contract. If a decision is made to award a contract, but it is not entered into, the three years runs from the date of award.

(d) When the decision is made to terminate a procurement without awarding a contract, records are only required to be kept until the day that a procurement termination notice is published.

(e) Documents should be filled/stored carefully to ensure they are retrievable by others if and when required.

(f) These records may be required for any contract disputes, audits or procurement investigations.

21.02 **Archive records and retention of records**

(g) On top of the Act obligations, it is a legal requirement for commercial records to be retained for inspection by various Government organisations, including HMRC (VAT).

(h) The retention period commences once the Tender, Purchase Order or Contract is closed; all “open” documents are retained indefinitely.

(i) Budget holders shall refer to the Council’s Retention Guidelines for the records that shall be retained and their retention period.

22.0 MAINTENANCE OF CONTRACT PROCEDURE RULES AND GLOSSARY OF TERMS

22.01 **Review of Contract Standing Orders**

(a) These Contract Procedure Rules will be reviewed annually to ensure that they stay at the forefront of good procurement practice.

(b) The Monitoring Officer in consultation with the Director of Finance (S151) shall have the power to make incidental amendments from time to time to the Rules, for example when updates are required from changes to legislation, job titles and roles.

(c) Major changes to the Contract Procedures, such as revision of values determining procurement process are delegated to the Monitoring Officer and the Director of Finance (S151) in consultation with the appropriate portfolio holder.

APPENDIX A Procurement Authority Thresholds

Minimum Procurement Procedures for Works, Supplies or Services

The following table outlines the minimum selection procedure to be used where the procurement is within these Contract Procedure Rules and a framework is not being used.

(Note that below the public procurement thresholds the bands in the table are set exclusive of VAT. Above the public procurement thresholds figures must be considered inclusive of VAT.)

Estimated Total Value	Selection procedure	Selection / Decision by	Procurement Lead	Obligations
Up to £5,000	Single Quotation in writing including evidence of Value for Money, such as research into typical prices or rates.	Budget holder *(See 1.03 Authorities and controls)*	Service area	
£5,000 up to £25,000	Single Quotation in writing including evidence of Value for Money, such as research into typical prices or rates	Head of Service *(See 1.03 Authorities and controls)*	Service area	In line with Transparency Code 2015: - Publish details of all Contracts on the Council's Contract Register - If the contract award decision is £10,000 or over, then the Head of Service shall publish a Notice of Decision.

Estimated Total Value	Selection procedure	Selection / Decision by	Procurement Lead	Obligations
£25,000 up to £100,000	At least three Quotations to be sought. If there is a decision to advertise the opportunity at all (such as in newspapers or on the Council's website or via any e-procurement system to attract local or wider interest) it must also be published on Government's Find-A-Tender service.	Head of Service *(See 1.03 Authorities and controls)*	Service area Supported by Procurement Team where appropriate e.g publication of notices	In line with Transparency Code 2015: - Publish details of all Contracts on the Council's Contract Register. - Head of Service shall publish a Notice of Decision Complete a Procurement Plan. Opportunities and Contract award notices must be published on Find-a-Tender. Notice obligations under Procurement Act 2023. - Specific reference to those under threshold (£30,000 VAT inclusive)

Estimated Total Value	Selection procedure	Selection / Decision by	Procurement Lead	Obligations
£100,000 and above but below the Procurement Act 2023 financial threshold	Appropriate Procurement Act 2023 procedure or Invitation to Tender issued to a minimum of three suppliers. With tenders the Council's e-procurement system should be used to attract local or wider interest it must also be published on the Government's Find-A-Tender service.	Executive Director or determine by Scheme of Delegation *(See 1.03 Authorities and controls)*	Procurement Team	In line with Transparency Code 2015: - Publish details of all Contracts on the Council's Contract Register. - Head of Service shall publish a Notice of Decision Complete a Procurement Plan Opportunities and Contract award notices must be published on Find-a-Tender. Notice obligations under Procurement Act 2023. - Specific reference to those under threshold (£30,000 VAT inclusive)

Estimated Total Value	Selection procedure	Selection / Decision by	Procurement Lead	Obligations
Greater than the Procurement Act 2023 financial threshold	Appropriate Procurement Act 2023 procedure as managed by Procurement Team with legal advice as necessary. With tenders the Council's e-procurement system should be used to attract local or wider interest it must also be published on the Government's Find-A-Tender service.	Executive Director or determine by Scheme of Delegation *(See 1.03 Authorities and controls)*	Procurement Team	Complete a Procurement Plan Publish details of all Contracts on the Council's Contract Register. Opportunities and Contract award notices must be published on Find-a-Tender. Notice obligations under Procurement Act 2023.

APPENDIX B Glossary of terms

The following defined terms are used throughout these Contract Procedure Rules:

Above Threshold – above the annually revised Procurement Act 2023 thresholds.

Below Threshold – below the annually revised Procurement Act 2023 thresholds

Budget holder – the person, service or business unit that holds the financial budget, and has the authority to raise requests for goods and services.

Commitment – the act of confirming a contract with third party suppliers and should be made by a contract or purchase order.

Confirmation Order – an order which has been placed verbally, in writing hard copy or electronically communicated and subsequently confirmed by a formal purchase order marked "confirmation order".

Concession Contract – a contract for the supply, for pecuniary interest, of works or services to a contracting authority where—

(a) at least part of the consideration for that supply is a right for the supplier to exploit the works or services, and

(b) under the contract the supplier is exposed to a real operating risk.

Contract – a legal agreement between the Council and external suppliers for the supply of goods and services. For the purpose of these Procurement Rules this does not include contracts of employment for staff.

Contractor – a supplier that contracts with the Council to supply goods, services and works.

Council – refers to Norwich City Council

Debarment List – Identifies suppliers that must be excluded from a procurement process. As the exclusion of these suppliers is mandated by a Minister of the Crown, contracting authorities cannot be challenged for breach of statutory duty for wrongful exclusion.

Direct Award – when a public contract is awarded without a competitive tendering procedure and the public contract is placed directly with the supplier.

Direct Awards Justifications – requirements for above threshold Direct Awards as provided in Schedule 5 of the Procurement Act 2023.

Ethical Working – for example CIPS code of ethics

Excluded Supplier – a supplier is an "excluded supplier" if a mandatory exclusion ground applies to the supplier or an associated person and the circumstances giving rise to that ground are continuing or likely to occur again, or if the supplier or an associated person is on the debarment list.

Excludable Supplier – a supplier is an "Excludable supplier' where a discretionary

exclusion ground applies, contracting authorities have a discretion to exclude.

Framework Agreement – an arrangement that has been advertised and tendered either by the Council or another body under which the Council can award a contract with a third party, depending on the terms of the arrangement.

Procurement – the process by which the Council identifies the most suitable provider for the supply of goods, services, or works. This covers the full procurement life cycle through the stages Plan, Define, Procure and Manage.

Procurement Code of Conduct – the behaviour and conduct that governs the correct and professional manner in which to conduct commercial business with third party suppliers as published by the Chartered Institute of Procurement & Supply

Procurement Plan – the procurement plan will be used for all procurements of £25,000 and over and is the record of the procurement strategy development for a particular purchase and provides a clear audit trail of the decision-making process and analysis of risk. The Procurement Plan template will be made available by the Procurement Service.

Proprietary Product – a product that has unique characteristics produced by one manufacturer. A proprietary product specification could exclude competitors from competing on equal terms. In consultancy the services of a named person or firm would be considered as a proprietary product.

Public Contract Regulations 2015 – one of the pieces of legislation in previous procurement regime, immediately preceding the Procurement Act 2023.

Purchase Order – a serial numbered document created by the finance system, raised by the Buyer on a specific supplier for the supply of goods, services or works. This document is a formal legal agreement with specific conditions for the supply of goods and/or services.

Purchase Order Amendment – a document communicating a change to the specified requirement, price or terms and conditions of the original Purchase Order. Like the original Purchase Order, this document is a formal legal agreement with specific conditions for the supply of goods and/or services.

Quotation – a statement of price, delivery and specification against the specific enquiry provided by a specific supplier.

Services – include the provision of consultancy, legal, cleaning, maintenance, agency staff and similar non-tangible requirements.

Specification – a clear statement of requirement for goods and/or services, normally detailed as a generic specification to enable competition and the delivery of value for money.

Social Clauses – particular terms and conditions that may be included within a procurement process, and thereafter form part of a contract, which require a supplier to undertake specific actions to generate benefits to either particular groups of people or to the wider general public.

Supplier – an organisation that contracts with the Council to supply goods, services and works.

Tender – a formal offer from a supplier to supply specified goods, services or works at a stated cost or rate.

Tenderer – a supplier offering to buy or sell a product or service. This term applies prior to the formation of contract.

Terms and Conditions of Purchase/Contract – the specific conditions under which the Council will enter into a contract or purchase order with a supplier.

Value for money – a combination of criteria that include competitive price on a whole life basis, quality, reliability and timeliness. This is not necessarily the lowest priced offer. Under the Public Contract Regulations 2015, the award criteria were designed to assess the most economically advantageous tender (MEAT), however under the Procurement Act 2023 the tender should be assessed and the contract awarded based on the most advantageous tender (MAT) when undertaking a competitive tendering procedure.

23.0 VERSION CONTROL

Title	Contract Procedure Rules
Owner	Strategic Procurement Manager
Approval level	Full Council
Version	4.0
Published date	TBC anticipated 24 February 2025
Review period	1 year or at change of legislation, whichever is earlier.
Review date	31 March 2026
Relevant legislation or regulation	Section 135 of the Local Government Act 1972 Procurement Act 2026

Version control			
Date	Version number	Reason	Author
29/1/25	4.0d	Procurement Act 2023 Go live 24 February 2025	Tracy Woods – Strategic Procurement Manager

Meetings of Norwich City Council, cabinet and committees 2025-26 Civic Year

Committee	Day of meeting	Time	2025								2026				
			May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Council	**Tue**	**19:00**	**20 AGM (15:30 start)**	**24**	**-**	-	**30**	-	**25**	-	**27**	**24**[1]	**17**	**-**	**19 AGM (15:30 start)**
Cabinet	**Wed**	**17:30**	-	**4**	**2**	-	**10**	**8**	**12**	**3**	**14**	**11**[2]	**11**	-	-
Scrutiny	**Thu**	**16:30**		**(5)**[3] **19**	**17**	-	**18**	**16**	**20**	**18**	**15**	**5**[4]	**19**	-	-
Audit	**Tue**	**16:30**	-	**17**[5]	**-**	-	**(23)**[6]	**21**	**(26)**[7]	-	**20**	-	**10**	-	-
Planning applications	**Thu 2nd Thu of each month**	**10:00**	**8**	**12**	**10**	**14**	**11**	**9**	**13**	**11**	**8**	**12**	**12**	**9**	**14**
Licensing/ Regulatory	**Thu**	**16:30**		**26**	-	-	**25**	-	-	**4**	-	-	**5**	-	-
Regulatory sub	Mon	14:30	**12**	**9**	**14**	**11**	**8**	**13**	**10**	**8**	**12**	**9**	**9**	**13**	**11**
Licensing sub	Adhoc	Adhoc	-	-	-	-	-	-	-	-	-	-	-	-	-
Standards	Tue	10:00	-	-	**1**	-	-	**7**	-	-	-	**3**	-	-	-

[1] Budget Council
[2] Budget Cabinet
[3] Informal work programming session
[4] Budget Scrutiny
[5] Moved due to change in national programme
[6] Held as an additional meeting or training
[7] Held as an additional meeting or training

Meetings of Norwich City Council, cabinet and committees 2025-26 Civic Year

Committee	Day of meeting	Time	2025								2026				
			May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Sustainable development panel	**Tue**	**16:30**	-	**-**	8	-	**-**	14	**4**	-	**13**	**-**	-	-	-
Climate environment emergency executive panel	**Tue**	**16:30**	-	**10**	**-**	-	16	**-**	-	**9**	-	**10**	-	-	-
Treasury Management Committee	**Tue**	**14:30**			**22**				**11**		**6**			**7**	
Constitution working party	Adhoc	16:30	-	-	-	-	-	-	-	-	-	-	-	-	-
Cross party working group – CTRS	Adhoc	16:30	-	-	-	-	-	-	-	-	-	-	-	-	-
Twinning	**Thu**	**16:00**	-	-	**3**	-	-	**2**	-	-	-	26	**-**	-	-
Mousehold Heath Conservators	**Fri**	**14:30**	-	**13**	-	-	**12**	-	-	-	**16**	-	**13**	-	-
Norwich area museums	**Tue**	**14:30**	-	**3**	-	-	**9**	-		**2**	-	-	**3**	-	-

Meetings of Norwich City Council, cabinet and committees 2025-26 Civic Year

Committee	Day of meeting	Time	2025								2026				
			May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Norfolk Records	Dates set by county	10.30	-	-	-	-	-	-	-	-	-	-	-	-	-
Norfolk Joint Museums	Dates set by county	14:00	-	-	-	-	-	-	-	-	-	-	-	-	-

Motion to: Council

Item 11(a)

25 February 2025

Subject: Calling on government for urgent chalk stream protections

Proposer: Councillor Galvin

Seconder: Councillor Champion

In Norwich thanks to our wonderful river Wensum, and across our country, we are lucky to have globally rare chalk streams. These precious habitats are a unique part of our natural environment and national heritage. 85% of the world's chalk streams are found in England alone, and they are some of the most biodiverse and ecologically significant freshwater ecosystems in the world.

Communities have deep concerns regarding the degradation of, and therefore the future of, these irreplaceable natural treasures. The current reforms to planning in England offer a crucial opportunity for the Government to protect and enhance these precious streams for future generations and protect the rare biodiversity which depends on them.

Chalk streams are exceptionally vulnerable to pollution, over-abstraction, and habitat degradation. Despite sterling work from many local partners including the Norfolk Rivers Trust, water quality in chalk streams across the UK continues to worsen, with unabated pollution from our highways, agricultural run-off and sewage outfalls, as well as over abstraction, significantly disrupting the ecology of these rivers, with detrimental impacts for wildlife (see references below).

This council **NOTES**:

1) While we welcome the Government's launch of an Independent Commission into the water sector, more urgent action must be taken to protect our chalk streams. Last year, polluting effluent flowed into these rivers across England. Locally, the River Wensum was polluted by sewage 398 times in 2023 - lasting 1,089 hours. In addition, the river is failing European health targets for forever chemicals (Polybrominated Diphenyl Ethers, PBDE) and continues to suffer from a cocktail of other contaminants including microplastics and pharmaceuticals.

2) As the current Wildlife Trust's campaign Save our chalk streams | Norfolk Wildlife Trust notes, we need decisive national Government action in planning to ensure that these unique waterways are preserved for future generations.

This council **RESOLVES**:

1) To write to the Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government The Rt Hon Angela Rayner MP,

Secretary of State for Food, Environment and Rural Affairs, as well as The Rt Hon Steve Reed OBE MP, and Minister of State, Matthew Pennycook MP to:

a) Ask them to utilise the opportunity of planning reforms to designate chalk streams and their catchments with a bespoke protection, which protects them as well as enabling enough new homes to be built.

b) Protect our chalk streams and provide the continuity and certainty needed to underpin local action by urgently clarifying its plan for chalk streams by releasing an improved version of the previously promised ‘Chalk Stream Recovery Pack’. This action plan must be decisive and ambitious, outlining a specific designated protection for chalk streams, offering enhanced legal protections, strengthened enforcement mechanisms and immediate investment in restoration and conservation.

c) Note that as a city we value greatly the River Wensum, as well as our other city rivers, and want to enhance the natural status of these important nature corridors.

d) Stress that as convenors of the River Wensum Strategy and Partnership we stand ready to support and enhance where possible the implementation of government measures and to work collaboratively to support the recovery of the River Wensum, and share learnings with other chalk streams nationwide and agencies and charities that work for their protection and recovery.

e) Ask them for an urgent written response on the above matters.

Motion to: Council

Item 11(b)

25 February 2025

Subject: Exploring emissions and weight-based parking charges

Proposer: Councillor Galvin

Seconder: Councillor Champion

This council **NOTES**:

1) Larger cars cause more damage to our roads, are more likely to seriously injure or kill pedestrians, and take up more valuable public space.

2) Cars have been growing at an astonishing 0.5cm per year since 2000. The growth in size is particularly pronounced among luxury SUVs. For example, the Land Rover Defender grew by 20.6cm in just 6 years.

3) SUVs now have an average width of 2m, reducing the space available to other road users, particularly cyclists, and create more danger for all of them.[3] Children are eight times more likely to die when struck by a SUV compared to children struck by a passenger car. SUVs also cause five to ten times more damage to the road surface than a normal family car, making them particularly costly to the public purse.

4) Higher polluting cars, particularly larger and diesel models, are significantly greater contributors to carbon emissions and local air pollution, which worsens heart disease, triggers asthma and damages children's lungs, costing the NHS many millions of pounds every year. SUVs consume around 20% more fuel than a medium-size non-SUV car and, because of their weight, they are also worse for non-exhaust emissions from brakes and tyres.

5) Wealthier people are responsible for a larger share of transport related emissions in the UK due, among others, to higher rates of car ownership, and preference for larger and less fuel-efficient vehicles, highlighting that transport-related emissions are also a social justice issue.

6) Cities across the world have taken a stand and charge heavier and higher-emitting vehicles more for parking. Paris has recently tripled charges for SUVs parking inside the city.[10] Bath introduced emissions-based parking charges in the city in 2023 and is now expanding this to car parks across the County. Several London boroughs, including Lambeth Council and the Royal Borough

of Greenwich, run emissions-based schemes, with Westminster City Council also operating a diesel surcharge for pre-2015 diesel vehicles.

7) According to the most recent available data published in the “2022/23 Joint Core Strategy for Broadband, Norwich and South Norfolk Annual Monitoring Report”, carbon emissions from transport have been stagnant in Norwich for several years, and concentrations of the air pollutant nitrogen dioxide, a major component of vehicle exhaust, have exceeded the limit considered safe by the WHO[in several instances, suggesting that urgent action is needed to bring down transport emissions and to clean up our air.

This council **BELIVES**:

1) Norwich residents would benefit from the implementation of a fairer and more equitable charging system that more accurately reflects the greater cost to the public purse generated by larger and higher emitting vehicles.

2) Norwich can learn from the experiences of cities championing action on improving air quality and road safety, and on reducing carbon emissions, by implementing emissions- and weight-based parking charges.

3) Introducing increased parking charges for higher emitting and/or heavier vehicles would be relatively simple, seeing that the DVLA holds the requisite information by numberplate. Enforcement could be managed using cameras and keypads for pay-and-display.

Council **RESOLVES:**

1) To request Cabinet to commission a feasibility study for a more equitable system of parking charges that takes into account vehicle emissions and/or weight, building on best practice developed and tested by other councils, with a view to implementing such a system by 2026/27.

2) To request that Cabinet reports back to Council within 6 months on progress made.

3) To request the Leader of the Council to call on the political leadership of Norfolk County Council to explore the implementation of emissions- and/or weight-based parking permit charges.

4) To request the Leader of the Council to call on the political leadership of Norfolk County Council to prioritise the provision of accessible, affordable/free and reliable local public transport.

5) To request the Leader of the Council to write to the Secretary of State for Transport to request significantly increased central government funding for

local authorities to provide local public transport that is accessible, affordable/free and reliable.

Motion to: Council

Item 11(c)

25 February 2025

Subject: Condemnation of Labour's approach to mimicking Reform and its impact on migrant communities

Proposer: Councillor Davis

Seconder: Councillor Galvin

This council condemns Labour's recent approach of mimicking the right-wing messaging of Reform UK through Facebook ads and branding that focus on deportations, crime, and antisocial behaviour. As we are a Labour-led authority, the use of this divisive narrative is damaging to the reputation of Norwich, a city with a proud history of welcoming strangers which is a City of Sanctuary, and working towards becoming a Council of Sanctuary. The messaging promoted by Labour is shared on social media and therefore has national reach, which risks stoking fear and division, and impacts migrant communities, who already face significant challenges and discrimination.

This council **NOTES**:

1) That the duty imposed by section 149(1) of the Equality Act 2010 on public authorities is one requiring them, in the exercise of their functions, to have due regard to the need to:

    a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the act;

    b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; And

    c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

2) That, according to The Nolan Principles, holders of public office should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

3) Its commitment to being a city that embraces diversity, supports migrants, and stands against rhetoric that targets vulnerable communities.

4) That we are working towards becoming a council of sanctuary.

This Council **RESOLVES:**

1) To ask the Leader of the Council to write to the Home Secretary to urge an end to this dangerous narrative, which undermines the values of compassion, inclusivity, and solidarity that Norwich holds dear.

2) To reaffirm this council remains dedicated to promoting a safe and welcoming environment for all.

Motion to: Council

Item 11(d)

25 February 2025

Subject: Condemnation of Labour's approach to mimicking Reform and its impact on migrant communities

Proposer: Councillor Davis

Seconder: Councillor Galvin

Local government has endured central government funding cuts of more than 50% since 2010. Between 2010 and 2020, councils lost 60p out of every £1 they have received from central government. Research by UNISON has shown that councils across England, Wales and Scotland are facing a collective funding shortfall of more than £4bn by the financial year 2024/25 and a cumulative funding gap of £8bn by 2025/26. The last Government's 'levelling up' pots of money did little to help.

Council and school workers kept our communities safe through the pandemic, often putting themselves at considerable risk as they work to protect public health, provide quality housing, ensure our children continue to be educated, and look after older and vulnerable people.

Since 2010, the local government workforce has endured years of pay restraint with the majority of pay points losing at least 25 per cent of their value since 2009/10. Staff have endured the worst cost of living crisis in a generation.

At the same time, workers have experienced ever-increasing workloads and persistent job insecurity. Across the UK, 900,000 jobs have been lost in local government since June 2010 – a reduction of more than 30 per cent. Local government has arguably been hit by more severe job losses than any other part of the public sector. There has been a disproportionate impact on women, with women making up more than three-quarters of the local government workforce.

Recent research shows that if the Government were to fully fund the unions' 2025 pay claim, around half of the money would be recouped thanks to increased tax revenue, reduced expenditure on benefits and tax credits, and increased consumer spending in the local economy.

This council **BELIEVES**:

1) Local government workers keep our communities clean and safe, look after those in need and keep our towns and cities running.

2) Without the professionalism and dedication of our staff, the council services our residents rely on would not be deliverable.

3) Local government workers deserve a proper real-terms pay increase. The Government needs to take responsibility and fully fund this increase; it should

not put the burden on local authorities whose funding has been cut to the bone and who were not offered adequate support through the Covid-19 pandemic.

This council **RESOLVES** to:

1) Support the pay claim submitted by UNISON, GMB and Unite on behalf of council and school workers for an increase of £3,000 on all pay points

2) Call on the Local Government Association to make urgent representations to central government to fund the NJC pay claim

3) Write to the Chancellor and Secretary of State to call for a pay increase for local government workers to be funded with new money from central government

4) Meet with local NJC union representatives to convey support for the pay claim and consider practical ways in which the council can support the campaign

5) Encourage all local government workers to join a union.