

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 NOVEMBER 2015

SUBJECT:	PROPOSED REVISED CONTRACT PROCEDURE RULES
WARD/S AFFECTED:	ALL
REPORT OF:	HEAD OF PROCUREMENT

1.0 EXECUTIVE SUMMARY

1.1 This report sets out proposed revised Contract Procedure Rules for consideration and approval by Audit and Risk Management Committee. This draft takes account of comments made from senior officers of the Council who are directly involved in the process of delivering contracts. The existing Contracts Procedure Rules were approved by Audit and Risk Management Committee on the 25 November 2013 and implemented on the 1 December 2013 and are subject to review every 2 years.

2.0 BACKGROUND AND KEY ISSUES

2.1 The Council's current Contract Procedure Rules (CPR's) have been in place since 1 December 2013 and have been subject to minor changes, in response to actions resulting from internal and external reviews.

2.2 Appendix 1 of this report sets out proposed CPR's for comment and, if agreed, approval by Members.

2.3 The proposals to revise the CPRs are based on the following principles:-

- it has been two years since the CPR's were revised and adopted. During that time changes in legislation have included the new Public Procurement Regulations 2015, adoption of the Transparency Code 2014 for payment of invoices and a requirement to publish all contract activity over £5000.
- the CPR's implemented in December 2013 were primarily an adoption of Cheshire West and Chester CPR's as both authorities were progressing towards a shared service, significant changes in legislation and Council structures have made it necessary for both Council's to revise their CPR's.
- the need to take account of current and potential future developments, for example, the Wirral Plan: Vision 2020 , joint commissioning with other authorities and organisations, shared services within the Liverpool City Region and other councils, and the Council's role as commissioner

of services with a variety of private, voluntary, community and faith organisations.

- the need to integrate existing functions with new functions and responsibilities.

2.4 The review of the Council's CPR's has involved a group of key users from across the Council comprising officer representation from those parts of the Council who have greatest involvement in the letting of contracts. The group also included input from Internal Audit.

2.5 In carrying out the review and producing the draft for comment at Appendix 1, early consideration was given whether to further modify the existing Wirral CPR's or to put forward a more streamlined, practical set of rules that still ensured that all legal requirements were followed and that the Council would still obtain commercially competitive, value for money contracts, whilst simplifying the procedures to follow. It was agreed, by Officers, to put forward for Members approval the latter.

2.6 The perceived benefits from this approach, within the proposed revised CPRs, are:-

- a reduction from 52 pages in the existing CPR's to 35 pages.
- responses from users felt that the existing CPR's were far too repetitive in setting out procurement process and procedures; these are now referenced in the Procurement Toolkit see Appendix 2.
- the revised CPR's take account of any specific local structures and circumstances but preserve as much commonality as possible to ensure that any future collaboration with partners was not prohibited.
- **Officer Decision Notices** have been replaced with four, distinct, **Procedure Rules Approval Documents** - documents of approval, 1-4, for Exceptions to CPR's (1); Variations to Contracts (2); Extensions to Contracts (3); Contract Award (4)

2.7 The proposed revised CPR's seek to clarify the Member/Officer role in that decisions relating to the awards of contracts are defined as an officer responsibility, with Members holding officers to account, discussing and questioning decisions through the Scrutiny Committees.

2.8 The proposed revisions introduce a simplified procedure for individual items of expenditure below £2000. This takes account of the disproportionate amount of time incurred by staff using the current procedure to achieve purchases of one off, specific goods/services of a value less than £2000. Items of expenditure above £2000 and up to and including above OJEU Thresholds are more clearly defined in Rule 6.5.4 Table 1 and fully comply with the Public Procurement Regulations 2015.

- 2.9 The requirements in respect of reporting to the Committee of all contracts with a total value in excess of £500,000, instances where variations are agreed by the Director of Resources and instances where there is a waiver or breach of the CPR's in relation to a contract which exceeds £50,000 in value remain.
- 2.10 The revised CPR's also reflects the revisions in the Scheme of Delegation of Executive Functions to Cabinet Members and officers, reported to Cabinet on the 5 November 2015.
- 2.11 Alongside these changes, which also reflect external audit feedback, a series of other detail changes and clarifications have been made as a result of further feedback from departmental staff involved in contract procedures.

3.0 RELEVANT RISKS

- 3.1 There are serious financial, legal and reputational risks to the Council when CPR's are not followed. The intention of this review and the revised rules is to ensure that rules are more clearly defined and therefore accountability made clearer, that additional detail and guidance is available from the one source and that procedures are simplified and speeded up for the lowest value purchases.
- 3.2 The Procurement Toolkit, detailing the process, procedure and regulations to follow, in all procurement activity, is readily available to all officers on the Council's intranet.
- 3.3 Training will be given, to all departments, on the application and usage of the revised CPR's, prior to the implementation.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Retaining the existing Wirral CPR's was considered but there were advantages in producing a more streamlined, practical, set of CPRs, both in terms of the wider Council Improvement Plans and also the more practical, operational reasons set out in this report.

5.0 CONSULTATION

- 5.1 This report is brought to the Audit and Risk Management Committee as a draft, taking account of response of the Strategic Leadership Team, Internal Audit and Senior Officers of the Council involved within the contracts process.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 None. The Council's CPR's are fully reviewed every 2 years.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 The revised, proposed CPR's are intended to provide clear processes, with relevant procedures set out, which are intended to support a clear and

transparent contracting process, including with the Voluntary, Community and Faith sector.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 None arising directly from this report.

9.0 LEGAL IMPLICATIONS

9.1 The revised CPR's are intended to ensure that the Council's procurement processes meet European and UK legislation, and therefore reduce the risk of challenge.

10.0 EQUALITIES IMPLICATIONS

10.1 There are no specific relevant equality factors resulting from this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 None.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 None.

13.0 RECOMMENDATION/S

13.1 - That the views of the Committee are sought on the revised CPR's.
- That, if agreed, the revised CPR's be published and introduced in a planned way across the Council, with appropriate training to relevant staff.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Eventual adoption of revised Contract Procedure Rules.

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APPENDICES

Appendix 1 – Draft CPR's

Appendix 2 – Procurement Toolkit Documents list

REFERENCE MATERIAL

- Existing Wirral Contract Procedure Rules
- Wirral Plan: Vision 2020

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	5 April 2013
Audit and Risk Management Committee	25 November 2013
Cabinet	5 November 2015