Contract Procedure Rules

Council: 3rd July 2025

Governance & Audit 23rd June 2025

Decision to be taken by: Council

Date of meeting: 3rd July 2025

Lead director: Amy Oliver & Kamal Adatia

Useful information

■ Ward(s) affected: All

■ Report author: Izabela Skowronek, Head of Procurement

■ Author contact details: 0116 454 6188, <u>izabela.skowronek@leicester.gov.uk</u>

■ Report version number: v1

1. Summary

- 1.1. The Council's Contract Procedure Rules ('the Rules', 'CPRs'), Part 4G of the Constitution, require a revision following the implementation of the new procurement legislation, namely the Procurement Act 2023 ('the Act'), which came into effect on the 24th of February 2025.
- 1.2. The revised version of the Council's Contract Procedure Rules is hereby presented to the Council and the approval is sought for the Council to adopt these rules.

2. Recommended actions/decision

- 2.1. The Council is asked to approve the revised Contract Procedure Rules.
- 2.2. Governance & Audit are asked to comment on the contract procedures rules and provide feedback to the Monitoring Officer and Director of Finance on potential amendments prior to being considered by Council.

3. Scrutiny / stakeholder engagement

3.1. Governance and Audit Committee 23rd June 2025.

4. Background and options with supporting evidence

Background: Changes introduced by the Procurement Act 2023

- 4.1. The Procurement Act 2023 took effect on the 24th of February 2025. The revised version of the Contract Procedures Rules presented with this report, reflects the changes imposed by the new Act.
- 4.2. The Act replaces and combines into one, the following
 - the Public Contracts Regulations 2015,
 - the Utilities Contracts Regulations 2016,
 - the Concession Contracts Regulations 2016,
 - the Defence and Security Public Contracts Regulations 2011.

- 4.3. The above listed will continue to apply to procurements started under the old rules.
- 4.4. The revised Rules also address the introduction of the Health Care Services (Provider Selection Regime) Regulations 2023, which apply to procurements of relevant health care services.
- 4.5. Key changes under the Act include
 - Greater transparency.
 - Greater review of potential conflicts of interest
 - New procurement processes.
 - More focus on contract management.
 - Introduction of a Central Digital Platform.
 - Supplier Exclusion and Debarment List.
 - · Greater oversight.
 - · Change of terminology used.

Greater Transparency

- 4.6. The Act introduces additional requirements to ensure improved transparency. This is to make procurement information publicly available to support effective competition and provide the public with an insight on how their money is spent.
- 4.7. In particular, the Act introduces an increased number of procurement notices that must be published at different stages of the procurement process. These notices are published on the Central Digital Platform. Rule 13 of the CPRs has been drafted to reflect this.
- 4.8. A publicly visible Contract Award Notice must now be published before the contract can be issued to the awarded supplier. Publication of the notice triggers commencement of the standstill period observed prior to the award.
- 4.9. The Council is now required to publish an annual Pipeline Notice for each contract opportunity with an estimated value of £2m or above that is to be procured in the next 18 months. This is reflected under Rule 12 in the revised CPRs. The Council already publishes a procurement plan that would include contracts with an estimated value over £2m.
- 4.10. Further details on specific notices can be found at Appendix 3 to the presented CPRs.
- 4.11. There are a number of other transparency related requirements introduced by the Act, these are reflected throughout the revised CPRs.

Conflicts of Interest

4.12. In relation to each procurement covered by the Act, the Council has a responsibility to identify, keep under review and mitigate, any conflicts of interest, including potential or perceived conflicts of interest.

- 4.13. The Act requires that a Conflicts of Interest Assessment must be carried out and maintained at all stages of the procurement process, including contract management stage. More details on the conflict of interest assessment found on the link below:

 https://www.gov.uk/government/publications/procurement-act-2023-guidance-documents-define-phase/guidance-conflicts-of-interest-html
- 4.14. This is further described at Rule 9 of the revised CPRs.

New Procurement Processes

4.15. Some of the previously available multi-stage procedures, have now been replaced by a single Competitive Flexible Procedure (CFP). Additionally, a single-stage Open Tender procedure has been retained in the Act. This is further described at Rule 21 and 22.

Contract Management

- 4.16. The Act introduces significant changes in relation to the contract management stage, including associated reporting requirements. Rule 39 has been drafted accordingly.
- 4.17. The Council is required to publish a copy of the contract and an annual report on the top 3 key performance measures for all contracts over £5m. Where applicable, details of poor performance must also be disclosed.
- 4.18. An annual Payments Compliance Notice will be required for all contracts over £5m.

Supplier Exclusion and Debarment

4.19. Some changes have been made to the mandatory and discretionary exclusion grounds. Additionally, a centrally managed Debarment List has been introduced. Rule 33 in the presented CPRs relates to this aspect of the new Act.

Greater Oversight

4.20. A new national Procurement Review Unit (PRU) has been established with responsibility for oversight of public procurement. This replaces the Public Procurement Review Service (PPRS).

Change of terminology used

4.21. The Act introduces new language and definitions, which are reflected throughout the revised CPRs.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no direct financial implications arising from the updating of the contract procedure rules. However, good procurement and contract management helps the Council to achieve value for money.

Signed: Amy Oliver Dated: 2nd June 2025

5.2 Legal implications

The Council is required by section 135 of the Local Government Act 1972 to have in place contract procedure rules. In addition, Article 15.02 of the Council's Constitution requires every contract made by the Council to comply with the Contract Procedure Rules, which form Part 4G of the Constitution. Accordingly, approval of the Rules is a matter for Full Council.

Although these new Rules post-date both the implementation of both the Procurement Act 2023 and the Health Care Services (Provider Selection Regime) Regulations 2023, the Council has remained compliant with the law throughout this period as the scope of the current Rules ensures that in the event of any inconsistencies between the Rules and the law that the law will take precedence. The new Rules adopt the same approach.

It should also be noted that, again in line with the current Rules, there is a delegation to the City Barrister to amend the rules for minor amendments such as to correct an error or to reflect changes in the management structure, working practices and responsibilities of the Council.

Signed: Kevin Carter Dated: 3rd June 2025

5.3 Equalities implications

The report seeks approval for the council's revised version of contract procedure rules. Under the Equality Act 2010, public authorities have a continuing Public Sector Equality Duty (PSED) which means that, in carrying out their activities (including decision making and procurement), they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

It also applies to organisations carrying out a public function. It therefore includes private companies or voluntary sector organisations that have been contracted to carry out public functions on behalf of a the council. The duty only applies in respect of the public function

being carried out and not the wider business of the contracted body. Relevance and proportionately are the key guiding principles.

Signed: Equalities Officer, Surinder Singh Ext 37 4148

Dated: 2 June 2025

5.4 Climate Emergency implications

Procurement is a significant source of carbon emissions due to the embodied and outsourced emissions of the wide range goods and services the Council procures.

The council's Sustainable Procurement Guidance (available on Interface and sent out to prospective suppliers) provides information on limiting negative environmental impacts from procurement activity. This guidance should continue to be applied to procurement activities, by including sustainability requirements in all specifications and through specific, sustainability-related questions within the quality/method statement evaluation process of procurement exercises where relevant.

The council's Social Value Charter also provides guidance on securing environmental sustainability-related benefits from procurements.

Signed: Phil Ball
Dated: 03/06/2025

<u>5.5 Other implications (You will need to have considered other implications in preparing this report.</u> Please indicate which ones apply?)

- 6. Background information and other papers:
 - Procurement Act 2023 Procurement Act 2023
- 7. Summary of appendices:
 - Appendix 1 Contract Procedure Rules document.
- 8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?
- 9. Is this a "key decision"? If so, why? No as a decision by Council.