

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 17 JULY 2013**

REPORT BY: **HEAD OF ICT AND CUSTOMER SERVICES**

SUBJECT: **CONTRACT PROCEDURE RULES**

1.00 PURPOSE OF REPORT

1.01 For Audit Committee to consider and comment upon the revised Contract Procedure Rules (CPRs) prior to consideration by Constitution Committee and approval by County Council.

2.00 BACKGROUND

2.01 The Council's CPRs set the framework under which all procurement activity is undertaken. In the event of statutory or other legal requirement exceeding the requirements contained within these CPRs, then statute shall take precedence over any provision in these CPRs.

2.02 Procurement is the process by which the council manages the acquisition of all its goods, services and works of any kind. It includes the identification of need, consideration of options, the actual procurement process and the subsequent management and review of the contracts.

3.00 CONSIDERATIONS

National Context

3.01 In the Compact for Change between the Welsh Government and Welsh local government there was an agreement that a national set of CPRs would be developed for Local Government in Wales. As a result of this work, any local drafting of CPRs had been put on hold by a number of Councils across Wales.

3.02 This national work has been led by officers from the Welsh Local Government Association (WLGA) in conjunction with a working group of procurement managers.

3.03 Following several meetings of the working group a draft national set of CPRs was developed, which was then presented as part of a formal consultation exercise amongst several professional stakeholder

groups e.g. Procurement Network Group, All Wales Treasurer's Group, Regional Internal Audit Contracts Groups and All Wales Heads of Legal Group

- 3.04 During the consultation period, it was clear that there was resistance at an individual local authority level as well as differences of opinion amongst professional groups as to what should be contained in a national set of CPRs. This has resulted in further re-drafting and documents being re-presented to the groups for further consideration, resulting in considerable delays in getting the CPR's approved on a national basis.
- 3.05 Due to the delays, it was agreed on a North Wales basis that a regional set of CPRs would be developed taking into account the national CPR principles. This joint-regional work has progressed with Flintshire working in conjunction with Anglesey, Denbighshire and Conwy Councils. This work was originally scheduled to be completed by end of March 2013.
- 3.06 However, in order to try and finalise and reach a consensus on a national set of CPR's the WLGA has taken further external legal advice in the last few months. This has resulted in a further revised CPR document being distributed for consideration.
- 3.07 The latest revised national document has been reviewed and Incorporated where applicable into a regional CPR document.

Local Context

- 3.08 Due to severe delays and issues in getting approval for a national set of CPRs, it was decided that Flintshire would take the lead in producing a regional set of CPRs, which then would be shared with the other North Wales Councils for them to adopt if they chose to.
- 3.09 The current version of the CPRs have not been reviewed and updated for several years, the following have been taken in to account in this updated set:
- National CPR principles, which were developed in conjunction with the WLGA, as part of the Compact for Change between the Welsh Government and Welsh local government.
 - Recommendations arising from FCC Internal Audit reports with respect to Procurement, Use of Consultants and Approved List Management.
 - Emerging case law in Procurement.

- Implementation of the Council's new E-procurement solution.
- Welsh Government Procurement Policy Statement

3.10 These revised CPRs have been developed by a Joint Working Group of Officers from Procurement, Internal Audit and Legal & Democratic Services from Flintshire, Denbighshire and Conwy Councils working in collaboration.

3.11 Following consideration by this committee the CPRs will be considered by Constitution Committee on 17th July, 2013 and then presented to the County Council for adoption on 23rd July, 2013.

3.12 Once adopted, a series of workshops will be held in each Directorate in order to update officers on the new CPRs and to ensure officers become fully aware of their responsibilities and obligations, when undertaking procurement activities on behalf of the Council.

4.00 RECOMMENDATIONS

4.01 That Audit Committee endorse the revised CPRs for adoption.

5.00 FINANCIAL IMPLICATIONS

5.01 These revised CPRs will ensure a consistent and compliant approach is adopted for all procurement activity across the council.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation has taken place with Legal and Internal Audit colleagues, Corporate Management Team and Directorate Senior Management.

12.00 APPENDICES

- Appendix 1 - Summary of key amendments / changes between the new CPR's and the current CPR's
- Appendix 2 - Copy of the proposed new Contract Procedure Rules

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Contact Officer: Arwel Staples, Acting Head of Procurement
Telephone: 01352 702704
Email: arwel.staples@flintshire.gov.uk