

APPENDIX G

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE - 22 NOVEMBER 2011

EXECUTIVE – 29 NOVEMBER 2011

Title:

AMENDMENTS TO CONTRACT PROCEDURE RULES AND FINANCIAL REGULATIONS

**[Portfolio Holder: Cllr Mike Band]
[Wards Affected: All]**

Summary and purpose:

Waverley's Contract Procedure Rules and Financial Regulations have been reviewed and revised with changes proposed to increase financial limits, strengthen controls in some areas and to improve flexibility and ease of use.

How this report relates to the Council's Corporate Priorities:

A sound control framework is part of the value-for-money and governance arrangements.

Equality and Diversity Implications:

There are equality and diversity implications in awarding of contracts.

Resource and legal implications:

There are direct value for money implications and CPRs are intended to ensure the best solution is identified when letting a contract. Legal requirements are covered within these key documents.

Introduction

1. Waverley's Financial Regulations and Contract Procedure Rules (CPRs) are reviewed on a periodic basis in order to ensure they reflect current policy and best practice. The changes proposed to the documents are highlighted in the attached Annexe 1 and Annexe 2. The changes to CPRs are designed to support flexible procurement practice that is necessary to achieve good value for money. However, it is important to maintain sufficient controls and safeguards and the proposed changes seek to achieve this in a proportionate and sensible way.

The proposed changes

2. The proposed amendments to Financial Regulations and CPRs are highlighted in the attached annexes. There are many detailed changes to the CPRs and Financial Regulations which are designed to keep them up-to-date, meaningful and in line with Council policy. They also modernise the CPRs to reflect changes in the market and new practice undertaken by other local authorities. There are a number of proposed increases in financial limits but no changes to the fundamental structure of the policies. Research was undertaken to identify financial limits in similar sized authorities and the proposals are in alignment with other Councils. For the first time, a toolkit comprising a 'Short Guide', example matrices and useful links has been prepared. The short guide will replace the current Procurement Manual and will help steer officers through the procurement process ensuring that they comply with CPRs.
3. Many of the changes to CPRs were identified in a workshop of CMT and Service Heads earlier in the year. The suggested changes will assist understanding and compliance. Officers will test the CPR guidance for staff and will undertake refresher training for managers early in 2012.

Summary of Key Changes – Contract Procedure Rules

- Simplify the exemptions to CPRs
- Give more flexibility in the use of CPRs to avoid waivers when alternative procurement routes are proposed, subject to assessment of risk and S151 Officer and/or Portfolio Holder sign-off
- Tighten controls by requiring evidence supporting competition assessments, estimated contract values, risk assessments and the management of contracts once awarded
- Increase the lower level financial thresholds that determine the procurement and evaluation process and default requirement for two or more quotes even for the lowest value procurement
- Delete the top financial threshold and introduce a top level that broadly aligns to the European tendering rules threshold.
- New procedure for receiving quotes/tenders by e-mail
- Greater clarity around late tenders and the use of quality thresholds in the evaluation of tenders
- Greater flexibility in choice of appropriate financial safeguards in contracts

Summary of Key Changes – Financial Regulations

- Increase financial limits for budget virements (changing purpose of approved budget during the year)
- Increase the financial limits within which the S151 Officer can approve the writing off of debts

Recommendation

It is recommended to the Council that the revised Contract Procedure Rules and Financial Regulations be adopted.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICER:

Name: Graeme Clark

Telephone: 01483 523099

E-mail: graeme.clark@waverley.cov.uk