

REPORT TO: COUNCIL BUSINESS COMMITTEE COUNCIL
DATE:
STATUS OF THE REPORT: PUBLIC
AREA COMMITTEES / WARDS AFFECTED: ALL
TITLE: REVISIONS TO CONTRACT PROCEDURE RULES (CPRs) AND FINANCIAL PROCEDURE RULES (FPRs) 2008
WHY IS IT COMING HERE? / WHAT DECISION IS REQUIRED? To consider if changes to CPRs and FPRs are necessary.
IS THIS AN URGENT ACTION APPROVED BY THE CHAIR OF SCRUTINY? No
WHAT ARE THE KEY POINTS? <ol style="list-style-type: none"> 1. This report recommends a number of changes to CPRs, and FPRs 2. In respect of CPRs, the EU thresholds for 2008 are £139,893 (goods and services) £3,497,313 (works). Recognising the transfer of responsibility for Procurement from “Partnership & Procurement Service” to Strategic Finance, there are a number of changes to titles, and a reference to the need to ensure adequate control if there potential conflicts in role. There is additional text relating to the incorporation of none financial criteria in specification and evaluation that meet clearly expressed council policy. Section 11 on reporting has been rewritten as the previous version proved impractical to operate, and if it had done so would have provided an unnecessary level of detail. A new section (14) relates to land & property. 3. In FPRs there are additional sections relating to the payments by direct debit, and using the new procure to pay systems, additional text relating to accepting cash payments and encouraging debt collection by direct credit and minor changes to text relating to Internal Audit reporting to align with advice from CIPFA. Some parts of the sections relating to revenue and capital budgets are amended to reflect existing or best practice. 4. There are a number of other minor changes. These are shown in the attached schedule.
RECOMMENDATION <ol style="list-style-type: none"> 1. Council Business Committee agree that Annual Council be recommended to make the changes to CPRs and FPRs as described.
CONSULTEES Director of Finance, Legal Services

CONTACT OFFICER

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BACKGROUND PAPERS

Contract Procedure Rules Financial Procedure Rules June 2007

Schedule of Amendments

General

Amend titles and post holders (eg Solicitor to the Council becomes Head of Legal Services)

Financial Procedure Rules

Para 1. amend Council Business Committee to Audit Committee (1.3)

Para 2. text changed to recognise that the council now produces 3 year medium term financial strategies(2.3)(2.6). Additional text to make clear that cabinet must follow through action plans to address overspending (2.20c). Requirement to report outcome on all accounts the Council is responsible for- not just the general fund(2.28)

Para 3- amend values to align with CPRs (3.21). Amended text to refer to MTFP(3.4).

Para 4- amended Cabinet authority required under all other circumstances, to Director of Finance in consultation with head of Legal Services and Director/Head of Service(change made to align with decision of CBC (12/5/08) re Council Constitution.

Para 5- Changes re internal audit annual reporting and review to reflect wordings recommended by CIPFA (5.6) . Reference to “discounts” and “Members” (5.9)

Para 7 add reference to information security policy (7.20)

Para 8 – add reference to portable storage devices (eg memory sticks)(8.4)

Para 11.- additional emphasis to use of direct debit payments as preferred means of income collection , and of need to keep client banking data confidential (11.4); reference to not accepting large cash payments as this might impact on money laundering rules if we do (11.6)

Para 12 – add reference automated payments systems at introduction and at 12.3 and 12.4. Other paras renumbered slightly, add reference to loyalty points (12.12), add new paragraphs relating to payments by Direct Debit and standing Order (12.13-15)

Para 15; frequency of travel claims submission reduced to quarterly, to reflect planned single status change to most employees receiving travel allowances, or using council provided vehicles (currently requires submission within 2months)

Para 21- Change values to reflect those contained in CPRs (ie increase from £3000 to £15000) (21.8 & 21.9)

Contract Procedure Rules

Definitions:

Amend definition of EU threshold to nearest £10,000- rather than nearest £10,000 below. *(without this change the defined value for procurement of goods and services would fall to £130,000; it is considered that for estimating purposes, which are by their nature based on assumption, it is not unreasonable to use the closest by £10,000)*

Add definition Procurement Manager- the person responsible for making procurement arrangements, delete reference to Assistant Director Partnership & Procurement. (and change all references in text to Assistant Director Partnership & Procurement to Procurement Manager)

Additional /amended text

Para 1 add reference to rules applying to any loan (as well as grant) made by the council (1.7), and additional text requiring the Director of Finance to ensure there is adequate governance controls consequent to the transfer of responsibility for procurement to his Directorate. (1.11)

Para 2 additional text to clarify expectation to specify and include in evaluation criteria permissible factors required by Council policy (2.9) (& 2.44 & 5.1)

Para 8 minor changes to wording to make clear that Directors are permitted to authorise the use of government or local authorities as suppliers, and to use procurement contracts established by government, or other local authorities

Para 10. minor additional text to recognise that EU rules related to “Dynamic Purchasing Systems”, only allow for an authority to establish a systems, and award contracts electronically (10.2)

Para 11. Re written to simplify obligations on reporting to Cabinet *(in practice, the reporting has not been done in the way currently required by CPRs, due to inadequate data flows from Services. If reporting as envisaged had been delivered this may have produced an excessive reporting regime to Cabinet. It is hoped that the revised wording alongside a more proactive approach at officer level will achieve a practical and appropriate level of reporting of activity to Members)*

Para 14. New section that requires the Head of Design and Property Services to be consulted in respect of property purchase ,lease or licence of any value.

Other Changes

Minor amendments are made to clarify meaning and to correct spelling and grammar.

MED

May08.