

## **REPORT OF THE CORPORATE GOVERNANCE COMMITTEE**

### **A. PROPOSED CHANGES TO THE CONTRACT PROCEDURE RULES**

#### **Introduction**

1. This report concerns a review of the Contract Procedure Rules and recommended revisions to those rules following the implementation of the Procurement Act on 24 February 2025.

#### **Background**

2. Article 15 of the County Council's Constitution gives the Chief Executive a duty to monitor and review the operation of the Constitution to ensure the aims and principles of the Constitution are given full effect.
3. Rule 8 (Annual Reporting) of the Constitution's Contract Procedure Rules stipulates that the Director of Corporate Resources, in consultation with the Director of Law and Governance, shall submit a report to the Corporate Governance Committee to set out any proposed revisions to the Rules and/or changes required to accommodate the requirements of UK and EU procurement law as may be necessary from time to time.
4. The Constitution requires that changes to these Rules must be approved by the Council after consideration of recommendations of the Corporate Governance Committee.

#### **Proposed Revisions to the Rules**

5. Leaving the EU provided the UK with the responsibility and opportunity to overhaul the public procurement regulations. The four existing sets of public regulations (The Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016, the Concession Contracts Regulations and the Defence and Security Public Contracts Regulations 2011) will be replaced by one set of regulations, namely the Procurement Act, which comes into force on 24 February 2025.
6. The Council's current Contract Procedure Rules are written based on the Public Contract Regulations 2015, and these will remain as an appendix to the new rules, which have been written to bring them in line with the new Act.
7. Contracts whose procurement commenced prior to 24 February 2025 will remain regulated by the Public Contracts Regulations 2015 and therefore will be completed and managed under the current Contract Procedure Rules. Procurements that commence on or following 24 February 2025 will be regulated by the Procurement Act.

8. The main changes under the Procurement Act are as follows:
  - a. New tender procedures and below threshold requirements.
  - b. Change to the tender evaluation criteria (MEAT (Most Economically Advantageous Tender) vs. MAT (Most Advantageous Tender)).
  - c. Transparency requirements regarding information to be published.
  - d. Standstill period timeline and scope.
  - e. Mandatory and discretionary grounds for exclusion.
  - f. Central debarment list.
9. As the guidance from Government is still being released, there may be requirements to make minor amendments before the implementation date on 24 February.
10. The proposed revisions to the Rules are set out in the Appendix to this report. The revisions to the Rules are supported by the Director of Law and Governance and the Director of Corporate Resources.
11. Should the County Council approve the revised Contract Procedure Rules the new Rules will come into force immediately and will be published on the Council's internet and intranet sites and communicated to all relevant managers and staff within the Council as appropriate.

#### **Future reporting arrangements**

12. The Contract Procedure Rules will be reviewed annually or in line with any necessary legislation changes and will be presented to Corporate Governance Committee for approval.

#### **Equality Implications**

13. The Rules will ensure that all potential suppliers and suppliers receive equal treatment when bidding for contracts.

#### **Human Rights Implications**

14. The Rules will ensure that all procurements consider human right implications before commencing. There are no human rights implications associated with this report.

#### **Consideration by the Corporate Governance Committee**

15. The Corporate Governance Committee considered the proposals at its meeting on 24 January 2025 and its recommendation is set out in the motion which appears below.

**(Motion to be moved:**

- (a) That the new Contract Procedure Rules, set out in the Appendix to this report, be approved;**
- (b) That the Director of Corporate Resources, in consultation with the Director of Law and Governance be authorised to approve minor amendments to the Rules up to 24 February 2024.)**

**24 January 2025**

**Mr T. Barkley  
Chairman**

### **Background Papers**

The Constitution of Leicestershire County Council

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1187&MId=7661&Ver=4&Info=1>

Report to the Corporate Governance Committee on 24 January 2025

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=434&MId=7959&Ver=4>

### **Appendix**

Appendix - New contract Procedure Rules for the Procurement Act.

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