

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

A. PROPOSED CHANGES TO THE CONTRACT PROCEDURE RULES

Introduction

1. This report concerns a review of the operation of the Contract Procedure Rules and recommended revisions to those rules.

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 6 (Annual Reporting) of the Constitution's Contract Procedure Rules stipulates that the Director of Corporate Resources, in consultation with the County Solicitor, shall at least once in each financial year submit a report to the Corporate Governance Committee in relation to the operation of these Rules. This includes amongst other things any departures from or 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. Since the review of the Rules last year, 13 comments have been received and logged on the operation of the Rules from officers across the Council. The nature of these comments has ranged from amendments required to accommodate changing legislation and policy, to minor changes to the Rules to clarify their meaning. This is a significant reduction compared to last year when over 70 comments were made.
6. Of the 13 comments, 11 have been drafted into proposed revisions to the Rules, supported by the Head of Procurement and Resilience, Head of Legal Services, Head of Democratic Services and Administration, Head of Internal Audit Service and Assistant Director (Strategic Finance and Procurement). The remaining 2 comments are to be taken account of through amendments

and additions to Procurement Guidance (available through the Corporate Information System).

7. The recommended changes for the Rules are set out in Appendix A to this report.
8. The most significant proposed revision is the reference to a new piece of legislation, the Public Services (Social Value) Act 2012. This Act requires all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. The County Council has continuously endeavoured to drive social value and sustainable benefits from its procurement activity, and will ensure the requirements of this new legislation are embedded in its procurement practice by the time this legislation comes into force. Social Enterprise UK defines 'social value' as follows: "It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question "If £1 is spent on the delivery of services, can that same £1 be used, to also produce a wider benefit to the community". In other words, what are the additional benefits to the community, be they social, economic or environmental, which can come from the procurement in question over and above the direct purchasing of the services?"
9. Once approved, the revised Contract Procedure Rules will be published on the Council's intranet and internet sites (the revision highlighted on the home page) and communicated to all relevant managers and staff within the Council, including via newsletters and presentations.
10. The Corporate Governance Committee considered this matter at its meeting on 24th September, 2012 and its recommendations are contained in the motion which appears below.

(Motion to be moved:-

That the proposed amendments to the Contract Procedure Rules, set out in Appendix A to the report of the Corporate Governance Committee, be approved.)

24 September 2012

E D Snartt
Chairman

Background Papers

Joint report of the Director of Corporate Resources and County Solicitor to the meeting of the Corporate Governance Committee on 24th September 2012 on Proposed Changes to the Contract Procedure Rules.

[http://politics.leics.gov.uk/Published/C00000434/M00003554/AI00032132/\\$CProposedChangestotheCPRs.doc.pdf](http://politics.leics.gov.uk/Published/C00000434/M00003554/AI00032132/$CProposedChangestotheCPRs.doc.pdf)

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