



North Tyneside Council

Council

To All Members of the Council

Wednesday, 16 September 2020

You are hereby summoned to attend the Meeting of the Council of the Borough of North Tyneside. **This meeting will be held remotely via Teams Meeting at 6.00 pm on Thursday, 24 September 2020** for the transaction of the following business.

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1. **Apologies**
2. **To receive any Declarations of Interest**

You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.

Please complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.

You are also invited to disclose any dispensation from the requirement to declare any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda.

3. **Minutes of the meeting held on 19 March 2020 (previously circulated)**

Members of the public are entitled to attend this meeting and receive information about it.

North Tyneside Council wants to make it easier for you to get hold of the information you need. We are able to provide our documents in alternative formats including Braille, audiotape, large print and alternative languages.

For further information please call 0191 643 5358.

Contact Officers

David Brown (0191) 643 5358
Paul Wheeler (0191) 643 5318

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4. **Motions**

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Five valid Motions on Notice, signed by at least three Members of the Council, have been received for consideration at this meeting.

5. **Freedom of the Borough**

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A report to consider nominations received for Ylana First and the North Tyneside Carers Centre for the award of Freedom of the Borough.

6. **Annual Review of the Constitution**

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To receive and approve a report of the annual review of the Constitution and associated documents.

7. **Chair's Announcements**

To receive any announcements by the Chair of Council.

8. **Elected Mayor's Announcements**

To receive any announcements by the Elected Mayor.

Yours faithfully



Chief Executive

North Tyneside Council Report to Council 24 September 2020

Title: Motions

Notice has been received of the following motions from Members of the Council to be put to the Council meeting.

1. Motion signed by Councillors M Thirlaway, F Lott and M Hall

North Tyneside Council notes the Government's decision to replace Public Health England with the National Institute for Health Protection.

We condemn the decision to appoint Baroness Dido Harding as the temporary chair of this new organisation.

We believe Baroness Harding is an unsuitable appointment due to her lack of experience and expertise in public health and her failure as Head of the NHS Track and Trace during the coronavirus outbreak.

We believe Baroness Harding's appointment is a political decision that fails to prioritise public health during a worldwide pandemic.

North Tyneside Council requests that the Elected Mayor writes to the Secretary of State for Health and Social Care expressing our opposition to this appointment.

Legal Implications

There are no direct legal implications for the Authority arising from this motion.

Financial Implications

There are no immediate financial implications for the Authority arising from this motion.

2. Motion signed by Councillors M Rankin, C Johnson and B Pickard

Council notes:

- that the COVID-19 crisis has had a profound impact on the council's staff, services, and income.
- that, at the start of the crisis, the Secretary of State for Communities and Local Government urged councils to do "whatever was necessary" to control the spread of the virus.
- that the Secretary of State also promised full financial reimbursement to councils for the financial impact of the crisis.
- that, despite three welcome tranches of money, the council still faces an in-year financial shortfall
- that the Government changed the distribution formula between allocations of funding, skewing resources away from urban areas with higher levels of COVID to shire counties and rural areas, with lower levels of COVID.
- that the LGA estimates the financial gap facing the local government sector to be £7.4bn.
- that recent IFS analysis reports that councils are facing a "perfect storm" of funding and that many will have to make in-year budget cuts as a result of the failure of Government to fully compensate for losses.

Council believes:

- that the Government should honour their promise to reimburse councils in full for financial losses.
- that it would be a national outrage if councils were forced to reduce services and lay off the staff who have gone the extra mile to support our communities through the crisis.

Council calls upon the Mayor to:

- write to the Secretary of State to ask him to honour his pledge to fund councils fully;
- sign up to the Unison campaign Back the #10BillionBailout for local services (see <https://action.unison.org.uk/page/63837/petition/1?locale=en-GB>);
- campaign for a decent and fair settlement for local government in the forthcoming Spending Review

Legal Implications

There are no direct legal implications for the Authority arising from this motion.

Financial Implications

There are no immediate financial implications for the Authority arising from this motion.

3. Motion signed by Councillors C Davis, W Samuel and B Burdis

That this Council resolves to endorse the Covid Bereaved Families Campaign and, therefore, calls on the Government to start an immediate public inquiry into the Covid-19 Pandemic, with the first part of the inquiry to start immediately. Lessons need to be learned and applied quickly to prevent further loss of life, as happened in the aftermath of the Hillsborough tragedy, which led to immediate improvements to safety in football stadiums.

We also agree with the families call for the Government to provide adequate support to those who have lost someone to Covid-19. To date, there has been little to no recognition of the trauma of losing someone in this way or that there will be additional strain on bereavement and mental health support services. We believe all families should be able to access adequate support wherever they are in the country.

The North Tyneside Council offers its condolences to the bereaved in North Tyneside and throughout the UK. By meeting the demands of the bereaved families, the Government can protect other families from needlessly suffering the overwhelming grief that they are experiencing.

The UK has one of the highest death tolls in the world in the Covid-19 Pandemic, with over 45,000 excess deaths. Gaps in the country's pandemic preparedness, delays to locking down, inadequate supplies of PPE and the policy of discharging ill-people into care homes have all been identified as having contributed to the high death toll. As we head into winter it's vital that we prepare for a potential second wave.

North Tyneside Council requests the Elected Mayor to vigorously promote the petition from the Campaign, covidfamiliesforjustice.com, and to press the inquiry on the Government through our two local Members of Parliament.

Legal Implications

There are no direct legal implications for the Authority arising from this motion.

Financial Implications

There are no immediate financial implications for the Authority arising from this motion.

4. Motion signed by Councillors J Allan, J Harrison and B Burdis

That North Tyneside Council supports the independent report commissioned by the Local Government Association. Responding into the quality standard of homes delivered through change of use for permitted development rights, the independent report rightly backs our long-standing concerns over the detrimental impact on local communities of rules allowing home conversions without planning permission. It provides further evidence on why it is more vital than ever that planning should remain local. and requests that our Elected Mayor write to inform the Government and the Local Government Association of our views.

The independent report rightly supports our concerns in North Tyneside over the detrimental impact on our local communities of having rules that would allow home conversions without planning permission. It provides further evidence on why it is more vital than ever that planning should remain local. The report highlights how these conversions mostly avoid making any contribution to local areas, which is a requirement of the local planning system, and fail to meet adequate design standards and create worse living environments.

Under these new rules, communities will have no way to ensure developers build high-quality affordable homes in the right places, provide any affordable homes as part of the development, along with infrastructure that provides enough schools, promotes greener and more active travel, and tackles climate change.

“We urge the Government to act on these independent findings and remove permitted development rights. Developers must no longer be allowed to bypass the planning system and local communities must be able to have a say on all new developments in their area.

“It is vital that councils and local communities have a voice in the planning process and are able to oversee all local developments so councils can deliver resilient, prosperous places that meet the needs of our communities.”

Legal Implications

There are no direct legal implications for the Authority arising from this motion.

Financial Implications

There are no immediate financial implications for the Authority arising from this motion.

5. Motion signed by Councillors A Newman, M Wilson and C Johnson

Objection to the Internal Markets Bill

We share widespread concern over the government's admission that the Internal Markets bill breaches international law. The United Kingdom is built in and subject to the rule of law and international law is just as important as domestic law. Undermining this vital principle will fatally weaken faith in our commitment to international law and the repercussions will affect the whole country, not just North Tyneside,

We therefore ask the Mayor to write to the Prime Minister outlining this council's objection to breaching international law and urging him to withdraw the bill.

Legal Implications

There are no direct legal implications for the Authority arising from this motion.

Financial Implications

There are no immediate financial implications for the Authority arising from this motion.

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North Tyneside Council Report to Council Date: 24 September 2020

Title: Freedom of the Borough

Portfolio(s): Elected Mayor	Cabinet Member(s): N Redfearn
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Report from Service Area: Law and Governance

Responsible Officer: Bryn Roberts, Head of Law and Governance Tel: (0191) 643 5339

Wards affected: All

PART 1

1.1 Executive Summary:

This report informs the Council of nominations received for Ylana First and the North Tyneside Carers Centre to be awarded the Freedom of the Borough and invites the Council to consider these nominations.

1.2 Recommendation(s):

The Council is recommended to (1) ratify the award of the Freedom of the Borough to Ylana First; and
(2) consider the nomination of the North Tyneside Carers Centre for the award of the Freedom of the Borough.

1.3 Forward Plan:

Twenty eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 7 August 2020.

1.4 Council Plan and Policy Framework

This report has no direct relevance to the Our North Tyneside Plan priorities.

1.5 Information:

Background

1.5.1 The eligibility criteria for nominations for Freedom of the Borough are as follows:

Nominees for the award of Freedom of the Borough of North Tyneside must be persons/organisations of distinction who, in the opinion of the Council, have rendered eminent service to the borough and have either:

- (a) lived in the borough; or
- (b) worked or been based in the borough; or
- (c) been born in the borough

The nominee for Freedom of the Borough can be an individual or an organisation. Serving councillors, serving members of the Overview, Scrutiny and Policy Development Committee, the Elected Mayor or serving Council employees will not be considered.

Nominations can only be made through Councillors or the Elected Mayor of North Tyneside Council.

- 1.5.2 In accordance with the Authority's Constitution, responsibility for the assessment of nominations for the award of the Freedom of the Borough lies with the Overview, Scrutiny and Policy Development Committee.
- 1.5.3 The Overview, Scrutiny and Policy and Development Committee may recommend a maximum of two nominations to full Council for final consideration.
- 1.5.4 On 2 March 2020, the Overview, Scrutiny and Policy Development Committee received a report which gave details of two eligible nominations that had been submitted.
- 1.5.5 The Committee agreed to recommend the following nominations for consideration by the Council:

a) Ylana First

Nominated by Norma Redfearn, Elected Mayor and seconded by Councillor S Day. Supported by Councillors B Burdis, C Burdis, S Cox and M Hall.

I would like to nominate Ylana First for the hard work that she has carried out over the years to bring about the restoration of Tynemouth Station.

Back in 1978 Ylana spearheaded a campaign to save the 1882 station. She then, with the help of the Friends of Tynemouth Station, successfully established a range of relationships with anyone who could help her progress her campaign, both from within the Tynemouth community and beyond.

Ylana was the driving force to have the listed station and its expanse of ornate, glazed cast iron canopies restored. As a result of Ylana's work Tynemouth Station today is architecturally stunning. It is considered to be one of the finest examples of Victorian railway architecture in Britain. The grade II* Listed structure underwent an extensive restoration and was completed in 2012, its 130th anniversary year, and opened by HRH The Princess Royal.

The restoration has given a new lease of life to this station providing a memorable welcome to any first-time visitor arriving by train to Tynemouth. One of the key features of the Station is the artwork. Ylana worked hard with artists young and old, local and international to create the unique art installation across the bridge at the Station that people still see today.

So successful was Ylana's campaign that we now see the station bustling with thousands of people every weekend as it hosts markets selling books, antiques, collectables and military collectables. It is also used as a performing arts space for events including music, dance and theatre.

Tynemouth Station has a unique character and it is fantastic to see the 138 year old station as a key feature in the borough so many years after Ylana's campaign began.

I am sure that Ylana will be absolutely overwhelmed by the suggestion of awarding her the Freedom of the Borough for her work and will be the first to recognise that she hasn't done all of this alone. However, she has certainly put many years of hard work, passion, enthusiasm and of course her heart and soul into Tynemouth Station.

It is for this reason that I am proud to nominate Ylana First for the award of Freedom of the Borough.

b) North Tyneside Carers Centre

Nominated by Councillor C Davis and seconded by Councillor M Wilson.
Supported by Councillors G Bell, M A Green, J L L Harrison and J Mole.

North Tyneside Carers Centre provides practical and emotional support for young and adult carers living in the borough of North Tyneside. Established in 1994 as an independent charity the teams of workers support carers from everything to advocacy to mental health through one to one sessions and peer support groups. They also provide specialist training and information sessions to help carers cope with what can often be difficult circumstances. As well as providing education, health and wellbeing groups together with counselling breaks/social activities and events.

The Centre is recognised as one of the leading voluntary organisations in North Tyneside with a solid track record of delivering high quality support to carers. They have built strong relationships across health and social care and are a key partner in the development of delivery of North Tyneside's Commitment to carers. Carers' views and experiences shape the planning of individual care and are integral to designing local service provision. Recently they have been working collaboratively with two other carer centres in Newcastle and Northumberland and have been successful in attaining a grant from the North of Tyne to support carers returning to employment.

A 2011 census identified 22,008 carers living in the borough and highlighted a 19% increase in the number of people caring for over 20 hours per week. This is the point where caring starts to significantly impact on a carer's health and wellbeing and their ability to have a life alongside caring. As regards young carers the figure is estimated that up to 7000 young carers are living in North Tyneside, but this figure could be higher with one in six young carers in every secondary school class. 2776 adult carers and 364 young carers are registered with the centre and they predict an increase of 10% over the next 12 months. As these figures demonstrate this service is vital in meeting this need.

The Centre is very often a lifeline in providing support to people who are our borough's unsung heroes those who support and care for others. The staff at the centre help improve the physical and mental health and wellbeing of these people as well as helping them reach their potential. It is important we recognize this work in the borough and it is these reasons I would like to nominate North Tyneside Carers Centre for the Freedom of the Borough.

- 1.5.6 The Authority's Constitution requires any nominations received for Freedom of the Borough to be included with the business for the Annual Council Meeting. However, due to this year's Annual Council Meeting being cancelled in the light of the Covid-19 pandemic, the nominations are submitted to this Council meeting for consideration.

The full Council is asked to consider the above nominations taking into account the provisions of section 249 of the Local Government Act 1972, which permits the Council to admit to be honorary freemen persons of distinction and persons who have, in the opinion of the Council, rendered eminent services to the Borough. Any decision to admit the nominees must be approved by not less than two thirds of Members voting thereon at the Council meeting.

- 1.5.7 Council is asked to note that, due to exceptional circumstances, the award of the Freedom of the Borough to Ylana First was approved, following urgent consultation with the Elected Mayor and the Group Leaders, and the presentation was carried out on 22 July 2020. Council is therefore asked to ratify that award.

1.6 Decision options:

The Council can agree to award or not to award the Freedom of the Borough to the nominees.

1.7 Reasons for recommended option:

The recommendation is procedural and a recognised part of the business of the full Council.

1.8 Appendices:

None.

1.9 Contact officers:

Dave Brown, Law and Governance (0191) 643 5358
Janice Gillespie, Head of Resources (0191) 643 5701

1.10 Background information:

The following background papers/information has been used in the compilation of this report and available at the office of the author:

The Local Government Act 1972 (as amended).
Report to and Minutes of the Overview, Scrutiny and Policy Development Committee – 2 March 2020.
Nomination Forms.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The estimated expenditure of up to a maximum of £1,000 if an award was to be made, would be met from existing budgets in Law and Governance.

2.2 Legal

The Council is authorised to award Freedom of the Borough by virtue of section 249 of the Local Government Act 1972.

2.3 Consultation/community engagement

There is little scope for the award of Freedom of the Borough to be driven by the views of external consultees. The Member approval process, as set out in section 249 of the Local Government Act 1972, therefore provides the key element to the consultation process.

2.4 Human rights

The proposals within this report do not themselves have direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and diversity

There are no direct equalities or diversity implications arising from this report.

2.6 Risk management

As the recommendation is procedural and a recognised part of the business of the full Council, no further risk assessment has been undertaken.

2.7 Crime and disorder

There are no direct crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no direct environment and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Chief Executive ☐
- Head of Service ☐
- Mayor/Cabinet Member(s) ☐
- Chief Finance Officer ☐
- Monitoring Officer ☐
- Head of Corporate Strategy and Customer Service ☐

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North Tyneside Council Report to Council 24 September 2020

Title: Annual Review of the Constitution

Portfolio(s): Elected Mayor

Cabinet Member(s): N Redfearn

Report from Service

Area: Law and Governance

Responsible Officer: Bryn Roberts, Head of Law and Governance

(Tel: (0191)
6435339)

Wards affected: All

PART 1

1.1 Executive Summary:

This report is the result of the annual review of the Constitution and associated documents undertaken by the Monitoring Officer. The report contains recommendations on proposed amendments to the main Constitution (Audit Committee terms of reference) and Contract Standing Orders to ensure that they continue to be fit for purpose and provide a framework which ensures the efficient discharge of the Authority's business by allowing for decision making at the appropriate level.

In relation to the Audit Committee, the proposed changes will ensure that the role and functions of the Committee reflect the best practice set out in CIPFA's Position Statement on Audit Committees in Local Authorities. The changes do not substantially alter the duties of the Committee as set out in the existing Terms of Reference; however the wording in CIPFA's model Terms of Reference clearly highlights that the Audit Committee is a key component of the Authority's governance framework and includes a firm statement on the purpose of the Audit Committee, in addition to the core functions required to be discharged, and the characteristics of a good Audit Committee.

Proposed changes to Contract Standing Orders are being made to support delivery of the Covid19 Recovery Workstream for Supply Chain by improving the opportunities for local businesses to trade with the Authority and supporting their longer-term sustainability. They will also simplify the procurement process for internal and external stakeholders by reducing the number of thresholds that apply to seeking quotations and ensure compliance. The additional exemptions will reduce the requirement to waive contract standing orders for items which cannot be subject to a competitive tendering process.

These changes to Contract Standing Orders will bring the Authority more in line with other Authorities who have a more flexible approach with procurements under OJEU levels.

1.2 Recommendation(s):

It is recommended that Council approve the proposed changes to the Constitution and Contract Standing Orders set out in Appendix 1 to this report and refer the approved changes to the Elected Mayor for her consent in accordance with Article 15 of the Constitution.

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 7 August 2020.

1.4 Council Plan and Policy Framework

This report has no direct relevance to the Our North Tyneside Plan priorities.

1.5 Information:

- 1.5.1 In accordance with Article 16 of the Constitution, the Monitoring Officer has a key role in reviewing the operation of the Constitution and in making recommendations to Council on ways in which it could be amended to ensure that it achieves its purpose as set out in Article 1.
- 1.5.2 Council will recall that an in-depth review of the main Constitution was undertaken in 2013 and further changes to the Constitution have been approved at each of the last six Annual Council meetings. As the Annual Council meeting this year was cancelled in the light of the Covid-19 pandemic, this is the first available Council meeting to consider the proposed changes following the latest review.
- 1.5.3 As part of the current review the Senior Leadership Team and Members of the Council were requested to submit any proposed amendments to the Constitution and associated documents.
- 1.5.4 The Constitution Task Group has considered the proposed changes to the Constitution and Contract Standing Orders that have been received for consideration as part of the annual review, and those changes that have been approved by the Task Group are attached as Appendix 1 to the report.
- 1.5.5 The Constitution and associated documents will continue to be kept under review and updated to reflect any changes in the organisational structure of the Authority or any legislative changes. The Council has previously authorised the Head of Law and Governance, in consultation with the Chair of the Constitution Task Group, to make such changes when the power remains unaltered and these need not be reported to Council.

1.6 Decision options:

The following decision options are available for consideration by Council:

Option 1 - Accept all of the recommendations and proposals;
Option 2 - Make amendments to the recommendations; or
Option 3 - Reject some or all of the recommendations.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

1.7.1 Option 1 is recommended for the following reasons:

1.7.2 The proposals presented to Council have been scrutinised by the Constitution Task Group, which is the Authority's consultative body for any changes to the Constitution and its associated documents and are the recommendations of the Monitoring Officer, who has a duty under Article 16 of the Constitution to monitor and review the Constitution.

1.8 Appendices:

Appendix 1 – Proposed changes to the Constitution and Contract Standing Orders approved by the Constitution Task Group.

1.9 Contact officers:

Bryn Roberts, Head of Law and Governance (Tel. 643 5339)
Dave Brown, Law and Governance (Tel: 643 5358)
Janice Gillespie, Head of Resources (Tel.6435701)

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

North Tyneside Council's Constitution
North Tyneside Council's Contract Standing Orders
Papers submitted to Constitution Task Group on 11 August 2020

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial implications arising from the proposed changes to the Constitution and Contract Standing Orders that can not be absorbed within existing budgets. Any printing costs of the revised documents will be met from existing budgets.

2.2 Legal

The annual review of the Constitution documents, including a review of the 'local choice' elements of the Policy Framework, is required by the Constitution. The changes that have been proposed are necessary to enable the Authority to carry out its duties and responsibilities in an appropriate and timely manner. The Head of Law and Governance has been fully consulted in the drafting of this document and all proposed changes comply with current legislation.

Any specific legal implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

2.3 Consultation/community engagement

All Members of the Council and the Senior Leadership Team were invited to put forward proposed changes to the Constitution documents.

The Constitution Task Group has considered the documentation in detail. Any specific consultation/community engagement implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

2.4 Human rights

The contents of the report comply with the Human Rights Act 1998.

Any specific human rights implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

2.5 Equalities and diversity

Copies of the Constitution documents in alternative formats and languages can be made available upon request, in line with the Authority's Interpreting and Translation Policy.

Any specific equalities and diversity implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

2.6 Risk management

To mitigate the risks associated with using an out of date Constitution and Officer Delegation Scheme the proposed amendments set out in Appendix 1 to this report should be approved.

Any specific risk management implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

2.7 Crime and disorder

Any specific crime and disorder implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

2.8 Environment and sustainability

Any specific environment and sustainability implications arising from the proposed changes to the Constitution and Contract Standing Orders are set out in Appendix 1 to this report.

Officers and Members are encouraged to access the revised documents electronically to minimise the number of paper copies produced.

PART 3 - SIGN OFF

- Chief Executive ☒
- Head of Service ☒
- Mayor/Cabinet Member(s) ☒
- Chief Finance Officer ☒
- Monitoring Officer ☒
- Head of Corporate Strategy and Customer Service ☒

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Main Constitution – Proposed Changes

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
Part 3.5 – Terms of Reference of Council and Committees C – Regulatory and Other Committees 2 Audit Committee	<p>Please see table at the end of this document (pages 4-11) – it is proposed to remove the section containing the current Terms of Reference for the Audit Committee in the Constitution, and to replace this with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) most up to date model Terms of Reference.</p> <p>(As it is proposed that the whole existing section is removed and replaced, it is more readable to show this in the table on pages 5-12 below which gives more space to show the existing and proposed wording.)</p>	<p>Please see more detailed table below (pages 4-11)</p>
	<p>Reason for proposed change:</p> <p>This will ensure that the Authority's Constitution, regarding the role and functions of the Audit Committee, reflects the best practice set out in CIPFA's Position Statement on Audit Committees in Local Authorities. Although the changes do not substantially alter the duties as set out in the existing Terms of Reference, the wording in CIPFA's model Terms of Reference clearly sets out that the Audit Committee is a key component of the Authority's governance framework and includes a firm statement on the purpose of the Audit Committee, in addition to the core functions required to be discharged, and the characteristics of a good Audit Committee. Any external assessment of the Council's governance arrangements is likely to assess whether CIPFA's best practice has been adopted by NTC.</p>	

Implications of proposed change:

- **Finance and other resource implications:**

There will be no direct financial implications from the proposed change. The amendments proposed will however ensure that the best practice arrangements and model Audit Committee terms of reference recommended by CIPFA are adopted by the Authority, including those relating to Internal and External Audit.

- **Legal implications:**

None

- **Consultation/Engagement undertaken (internal and external):**

A review of the Authority's Audit Committee arrangements compared to best practice guidance from CIPFA has been undertaken during 2019/20 and reported to Audit Committee. The review engaged with stakeholders of the Audit Committee, including current elected members serving on the Committee; the Chief Executive, Head of Resources (Section 151 Officer) and the Chief Internal Auditor.

The proposed Terms of Reference include in full additional aspects of the Audit Committee's current Terms of Reference, added to the Authority's Constitution in November 2019, regarding the approval of the Authority's annual statement of accounts and associated reports. (Paragraphs 32, 33 and 34 of proposed Terms of Reference)

- **Human Rights implications:**

None

- **Equalities and Diversity implications:**

None

- **Risk Management implications:**

Should the CIPFA recommended Terms of Reference not be adopted, there is a risk that the Authority's Audit Committee arrangements will not reflect the principles and functions of an Audit Committee as set out in CIPFA's Position Statement on Audit Committees in Local Authorities. In turn this could jeopardise the assurance functions of the Committee, and any opinion on the discharge of those aspects of the Authority's assurance functions.

- **Crime and Disorder implications:**

The proposed Terms of Reference include the review of assessment of fraud risks and potential harm to the Council from fraud and corruption; and monitoring the counter fraud strategy, actions and resources.

- **Environment and Sustainability implications:**

None

AUDIT COMMITTEE: SUGGESTED CHANGES TO TERMS OF REFERENCE

Wording in Current Constitution – December 2019	Proposed Changes
<p>Membership – 9 (7 Councillors and 2 non-voting co-opted members)</p> <p>Quorum – 3</p> <p><u>Terms of Reference</u></p> <p>The following functions are the responsibility of the Audit Committee:</p> <ol style="list-style-type: none"> 1. The Audit Committee will consider the effectiveness of the Authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements, and seek assurance from the Chief Executive, Director of Public Health, Heads of Service, Internal Audit and External Audit that action is being taken on risk related issues within the organisation. <u>(This is now covered in the new proposed terms of reference (ToR) in paragraphs 6 to 8, 10, 11 & 21)</u> 2. The Audit Committee will consider the Chief Internal Auditor's annual report and opinion; and consider a review of the effectiveness of the system of internal audit. <u>(This is now covered in the new proposed ToR in paragraphs 20 & 24)</u> 	<p>Membership – 9 (7 Councillors and 2 non-voting co-opted members)</p> <p>Quorum – 3</p> <p><u>Terms of Reference</u></p> <p>Statement of purpose</p> <ol style="list-style-type: none"> 1) Our Audit Committee is a key component of North Tyneside Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. 2) The purpose of our Audit Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of North Tyneside Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Wording in Current Constitution – December 2019	Proposed Changes
<p>3. The Audit Committee will consider a review of the effectiveness of the organisation's system of internal control on an annual basis. This will include consideration of the Annual Governance Statement, and whether this has been prepared in accordance with proper practices in relation to internal control, whether this properly reflects the risk environment, and whether this includes actions required for improvement. Following that consideration, the Audit Committee will approve the Annual Governance Statement. <u>(This is now covered in the new proposed ToR in paragraphs 3,4 & 9)</u></p> <p>4. The Audit Committee will receive the following plans on an annual basis:</p> <ul style="list-style-type: none"> a) Internal Audit's Strategic Audit Plan, including Internal Audit's terms of reference, strategy and resources. The Audit Committee will approve, but not direct, the Strategic Audit Plan. <u>(This is now covered in the new proposed ToR in paragraphs 13 & 15)</u> b) The External Auditor's Audit Service Plan, including details of any non-audit services provided. <u>(This is now partially covered in the new proposed ToR in paragraphs 27 to 29)</u> <p>5. The Audit Committee will receive an interim and end of year report on the progress made by Internal Audit and External Audit in achieving their respective plans of work, so that the</p>	<p>Governance, risk and control</p> <ul style="list-style-type: none"> 3) To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance. 4) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. 5) To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. 6) To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council. 7) To monitor the effective development and operation of risk management in the Council. 8) To monitor progress in addressing risk-related issues reported to the Committee. 9) To consider reports on the effectiveness of internal controls

Wording in Current Constitution – December 2019	Proposed Changes
<p>Committee may monitor performance in this regard. <u>(This is now covered in the new proposed ToR in paragraphs 19, 20 & partially 27 & 28)</u></p> <p>6. The Audit Committee may suggest that Internal Audit undertakes reviews into specific areas of concern. The Chief Internal Auditor will then determine whether such work should be undertaken by Internal Audit, having regard to the nature, materiality and gravity of the matter referred, and the corresponding importance of planned work which would be delayed by attending to the matter referred. <u>(This is now covered in the new proposed ToR in paragraphs 16 & 30)</u></p> <p>7. The Audit Committee will receive external audit reports, including the Use of Resources report, Annual Audit Letter, Fee Letter, Annual Governance Report, and other external audit reports as appropriate; and the reports of other regulatory and inspection agencies where these highlight internal control and risk issues. <u>(This is now covered in the new proposed ToR in paragraphs 28 & 32 to 34)</u></p> <p>8. The Audit Committee will consider the scope and depth of external audit work to ensure it gives value for money. <u>(This is now covered in the new proposed ToR in paragraph 29)</u></p> <p>9. The Audit Committee will promote effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and champion the audit process. <u>(This is now covered in the new proposed ToR in</u></p>	<p>and monitor the implementation of agreed actions.</p> <p>10) To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.</p> <p>11) To monitor the counter-fraud strategy, actions and resources.</p> <p>12) To review the governance and assurance arrangements for significant partnerships or collaborations.</p> <p>Internal audit</p> <p>13) To approve the Internal Audit charter.</p> <p>14) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.</p> <p>15) To approve the risk-based internal audit plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.</p> <p>16) To approve significant interim changes to the risk-based internal audit plan and resource requirements.</p> <p>17) To make appropriate enquiries of both management and the head of Internal Audit to determine if there are any inappropriate scope or resource limitations.</p>

Wording in Current Constitution – December 2019	Proposed Changes
<p><u>paragraph 31)</u></p> <p>10. The Audit Committee will receive follow-up reports on the progress made by Service Areas in implementing agreed internal and external audit recommendations, in order that it may review this progress. <u>(This is now covered in the new proposed ToR in paragraph 19a)</u></p> <p>11. The Audit Committee will review the accounting policies used to compile the Authority's Statement of Accounts. <u>(This is now covered in the new proposed ToR in paragraph 32)</u></p> <p>12. The Audit Committee will review key information relating to the Authority's Statement of Accounts. <u>(This is now covered in the new proposed ToR in paragraph 32)</u></p> <p>13. The Audit Committee will review the external auditor's opinion and reports on the statement of accounts, and monitor management action in response to any issues raised in relation to the accounts by external audit. <u>(This is now covered in the new proposed ToR in paragraph 32)</u></p> <p>14. The Audit Committee will ensure it is aware of the work undertaken by other committees, so it can take account of any significant internal control issues arising from this work. <u>(This is now covered in the new proposed ToR in paragraphs 2 to 4 & 35)</u></p> <p>15. The Audit Committee will approve the annual statement of</p>	<p>18) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. To approve and periodically review safeguards to limit such impairments.</p> <p>19) To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These will include:</p> <ul style="list-style-type: none"> a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. b) Regular reports on the results of the Quality Assurance and Improvement Programme. c) Reports on instances where the Internal Audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement. <p>20) To consider the Chief Internal Auditor's annual report:</p> <ul style="list-style-type: none"> a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local

Wording in Current Constitution – December 2019	Proposed Changes
<p>accounts including any subsequent amendments. <u>(This is now covered in the new proposed ToR in paragraph 32)</u></p> <p>16. The Audit Committee will consider the External Auditor's report on the audit of the annual statement of accounts (the audit completion report). <u>(This is now covered in the new proposed ToR in paragraph 33)</u></p> <p>17. The Audit Committee will receive the External Auditor's annual audit letter. <u>(This is now covered in the new proposed ToR in paragraph 34)</u></p> <p>Information:</p> <p>1. The Audit Committee is a key component of the Authority's corporate governance arrangements and is an important source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. The main objectives of the Audit Committee are to:</p> <ul style="list-style-type: none"> a) provide independent assurance on the effectiveness of the risk management framework and the associated control environment; b) provide independent examination of the organisation's performance and how this affects the Authority's control environment and its exposure to risk; and 	<p>Government Application Note and the results of the Quality Assurance and Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.</p> <p>b) The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.</p> <p>21) To consider summaries of specific internal audit reports as requested.</p> <p>22) To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.</p> <p>23) To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.</p> <p>24) To consider a report on the effectiveness of Internal Audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.</p>

Wording in Current Constitution – December 2019	Proposed Changes
<p>c) oversee the financial reporting process. <u>(This is now covered in the new proposed ToR in paragraphs 1 & 2)</u></p> <p>2. Nothing in these terms of reference shall confer upon the Audit Committee the power to regulate or control the finances of the Authority, in order to ensure that section 102(3) of the Local Government Act 1972 is not contravened. <u>(This is now covered in the new proposed ToR in General Information paragraph 1)</u></p> <p>3. The two co-opted members of the Audit Committee will fulfil the roles of Chair and Deputy Chair of the Committee. The term of office for the co-opted members of the Audit Committee will be two years. The appointment of co-opted members is a matter reserved to the full Council, on the recommendation of the Chief Executive and Section 151 Officer. <u>(This is now covered in the new proposed ToR in General Information paragraph 2)</u></p> <p>4. The term of office for any appointed co-opted member can only be extended with the express approval of the full Council, on the recommendation of the Chief Executive and Section 151 Officer. Co-opted members appointed by the full Council can attend and speak at meetings of the Committee to which they are appointed but cannot vote. <u>(This is now covered in the new proposed ToR in General Information paragraph 3)</u></p>	<p>25) To provide free and unfettered access to the Audit Committee Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the Committee.</p> <p>External audit</p> <p>26) To support the independence of external audit through consideration of the External Auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.</p> <p>27) To consider the External Auditor's annual letter, relevant reports and the report to those charged with governance.</p> <p>28) To consider specific reports as agreed with the external auditor.</p> <p>29) To comment on the scope and depth of external audit work and to ensure it gives value for money.</p> <p>30) To commission work from internal and external audit.</p> <p>31) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.</p> <p>Financial reporting</p>

Wording in Current Constitution – December 2019	Proposed Changes
	<p>32) To review and approve the annual statement of accounts including any subsequent amendments. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.</p> <p>33) To consider the External Auditor's report on the audit of the annual statement of accounts (the audit completion report).</p> <p>34) To receive the External Auditor's annual audit letter.</p> <p>Accountability arrangements</p> <p>35) To report to the Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.</p> <p>36) To report to the Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.</p> <p>37) To publish an annual report on the work of the Committee.</p> <p>General Information</p>

Wording in Current Constitution – December 2019	Proposed Changes
	<ol style="list-style-type: none"> 1) Nothing in these terms of reference shall confer upon the Audit Committee the power to regulate or control the finances of the Authority, in order to ensure that section 102(3) of the Local Government Act 1972 is not contravened. 2) The two co-opted members of the Audit Committee will fulfil the roles of Chair and Deputy Chair of the Committee. The term of office for the co-opted members of the Audit Committee will be two years. The appointment of co-opted members is a matter reserved to the full Council, on the recommendation of the Chief Executive and Section 151 Officer. 3) The term of office for any appointed co-opted member can only be extended with the express approval of the full Council, on the recommendation of the Chief Executive and Section 151 Officer. Co-opted members appointed by the full Council can attend and speak at meetings of the Committee to which they are appointed but cannot vote.

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Contract Standing Orders – Proposed Changes

	Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
1.	Part 8, Contract Thresholds and Tendering Procedures (see also Contract Standing Order 9)	<p>(1) For contracts valued at up to £5,000, the Head of Service concerned may invite one quotation.</p> <p>(2) For contracts valued from £5,001 up to £20,000, the Head of Service concerned will invite three quotations, at least one response of which must be returned. More quotations may be invited at the Head of Service's discretion. Quotations over £10,000 must be returned to the Procurement Team and opened by a representative of the Procurement Manager in conjunction with a representative of the appropriate Head of Service. A standard template as determined by the Procurement Manager may be used for such quotations. Heads of Service must obtain quotations in writing, or through the Council's electronic contract management system. In all events, however, the</p>	<p>(1) Paragraph one first sentence to be amended to: For contracts valued at up to £10,000, the Budget Manager concerned may invite one quotation.</p> <p>(2) Full paragraph to be removed</p>

		<p>Head of Service should proceed in a manner most appropriate to the efficient management of the service, having kept a record of the reason for doing so. Where there is an approved framework agreement in existence then that agreement must be used as the source of providing the names of contractors from whom quotations are sought. Details of Framework Agreements can be obtained from the Council's Strategic Procurement Service. This will be subject to periodic checks as part of the internal audit process.</p> <p>(3) For contracts valued from £20,001 up to £50,000, the appropriate Head of Service must invite a minimum of five written quotations of which a minimum of three must be returned. Quotations within this threshold must be returned to the Procurement Team and opened by a representative of the Procurement Manager in conjunction with a representative of the appropriate Head of Service. A standard template as determined by the Procurement Manager must be used for such quotations. If three</p>	<p>(3) Paragraph one to be amended to: For contracts valued from £10,001 up to £50,000, the Budget Manager in consultation with the Head of Service concerned must engage with the Procurement Manager who will invite a minimum of three written quotations, in most circumstances, including one local supplier where appropriate however this will be dependent on the market, the service or goods required and value for money. Where there are not three available suppliers due to the specialist nature of the requirements less than three quotations may be requested but</p>
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		<p>quotations cannot be obtained due to lack of suitable organisations prepared to quote, then the approval of the Chief Executive in consultation with the Procurement Manager must be obtained for the waiving of this requirement.</p> <p>All quotations for a proposed contract with an estimated value of over £20,001 and up to £50,000 must be invited and received through the Council's electronic contract management system, unless the Head of Law and Governance approves the use of an alternative method.</p> <p>(7) Not Applicable</p>	<p>this must be agreed in advance with the Procurement Manager. Quotations within this threshold must be returned to the Procurement Team and opened by a representative of the Procurement Manager in conjunction with a representative of the appropriate Head of Service. A standard template as determined by the Procurement Manager must be used for such quotations.</p> <p>Paragraph two to be amended to: All quotations for a proposed contract with an estimated value of over £10,001 and up to £50,000 must be invited and received through the Council's electronic contract management system, unless the Head of Law and Governance approves the use of an alternative method.</p> <p>(7) Addition to current exemptions:</p> <p>(r) with Driver and Vehicle Licensing Agency and/or Driver and Vehicle Standards Agency with regard to Council owned or operated vehicles;</p> <p>(s) Mandatory works by statutory undertakers, where the statutory undertaker is the only body which can perform the works. (e.g. Northumbria</p>
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			Water specifically for water and sewerage infrastructure works, Northern Powergrid specifically for electricity infrastructure works, British Telecom – specifically for telecoms infrastructure works, Network Rail specifically for works affecting the railway infrastructure etc.);
		Reason for proposed change: To support delivery of the Covid19 Recovery Workstream for Supply Chain by improving the opportunities for local businesses to trade with the Authority and supporting their longer-term sustainability. It will also simplify the procurement process for internal and external stakeholders and ensure compliance. The additional exemptions will reduce the requirement to waive contract standing orders for items which cannot be subject to a competitive tendering process.	
2.	Part 11, Submission, Registration and Opening of Quotations (see also Contract Standing Order 8)	<p>(2) For quotations up to the value of £20,000 Heads of Service must make appropriate arrangements for their receipt, recording and opening.</p> <p>(3) All quotations between £20,001 and £50,000 in value must be returned in writing to the offices of the Procurement Manager or through the Council's electronic contracts management system.</p> <p>(4) The Procurement Manager must make arrangements for the receipt, registration and secure retention of</p>	<p>(2) Amendment to the values in the first sentence to: For quotations up to the value of £10,000 Heads of Service must make appropriate arrangements for their receipt, recording and opening.</p> <p>(3) Amendment to the values in the first sentence to: All quotations between £10,001 and £50,000 in value must be returned in writing to the offices of the Procurement Manager or through the Council's electronic contracts management system.</p> <p>(4) Amendment to the values in the first sentence to: The Procurement Manager must make</p>

		all quotations valued between £20,001 and £50,000.	arrangements for the receipt, registration and secure retention of all quotations valued between £10,001 and £50,000.
		Reason for proposed change: To support delivery of the Covid19 Recovery Workstream for Supply Chain by improving the opportunities for local businesses to trade with the Authority and supporting their longer-term sustainability. It will also simplify the procurement process for internal and external stakeholders and ensure compliance.	
3.	Part 20, Nominated Sub-Contractors or Suppliers	<p>(3) Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is less than £20,000 a Head of Service must invite a minimum of three written quotations. If oral quotations are received, they must be confirmed in writing.</p> <p>(4) Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is between £20,001 and £50,000 then quotations must be invited in accordance with Standing Order 8(2).</p>	<p>(3) Amend the paragraph to: Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is less than £10,000 the Budget Manager must invite a minimum of one written quotation. If oral quotations are received, they must be confirmed in writing.</p> <p>(4) Amend the values in the first sentence to: Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is between £10,001 and £50,000 then quotations must be invited in accordance with Standing Order 8(2).</p>
		Reason for proposed change: To support delivery of the Covid19 Recovery Workstream for Supply Chain by improving the opportunities for local businesses to trade with the Authority and supporting their longer-term sustainability. It will also simplify the procurement process for internal and external stakeholders and ensure compliance.	

4.	Part 21, Written Contracts (see also Contract Standing Order 22)	<p>(1) Every contract must be in writing.</p> <p>(2) All contracts for less than £25,000 shall be in writing and signed by the Head of Service to whom authority is given by the delegation scheme to enter into such contracts in conjunction with the Chief Executive.</p> <p>(3) Every contract with a value between £25,000 and £100,000 shall be in writing and signed by the Head of Law and Governance in consultation with the Chief Executive.</p>	<p>(1) Every contract must be in writing except where Quotations have been issued via the electronic contract management system where the terms and conditions of contract have been agreed and accepted electronically by the supplier.</p> <p>(2) All contracts for less than £50,000 shall be in writing, except those excluded by clause (1) above, and signed by the Head of Service to whom authority is given by the delegation scheme to enter into such contracts.</p> <p>(3) Every contract with a value between £50,000 and £100,000 shall be in writing and signed by the Head of Law and Governance or his authorised representatives.</p>
		Reason for proposed change: To improve and simplify the procurement process for internal and external stakeholders, ensure compliance and remove duplication.	
5.	Appendix 4 Procurement Process Flowchart	Please refer to Appendix 4 Current Procurement Process Flowchart below	Please refer to Appendix 4 Revised Procurement Process Flowchart below
		Reason for proposed change: To reflect the proposed changes to Contract Standing Orders.	

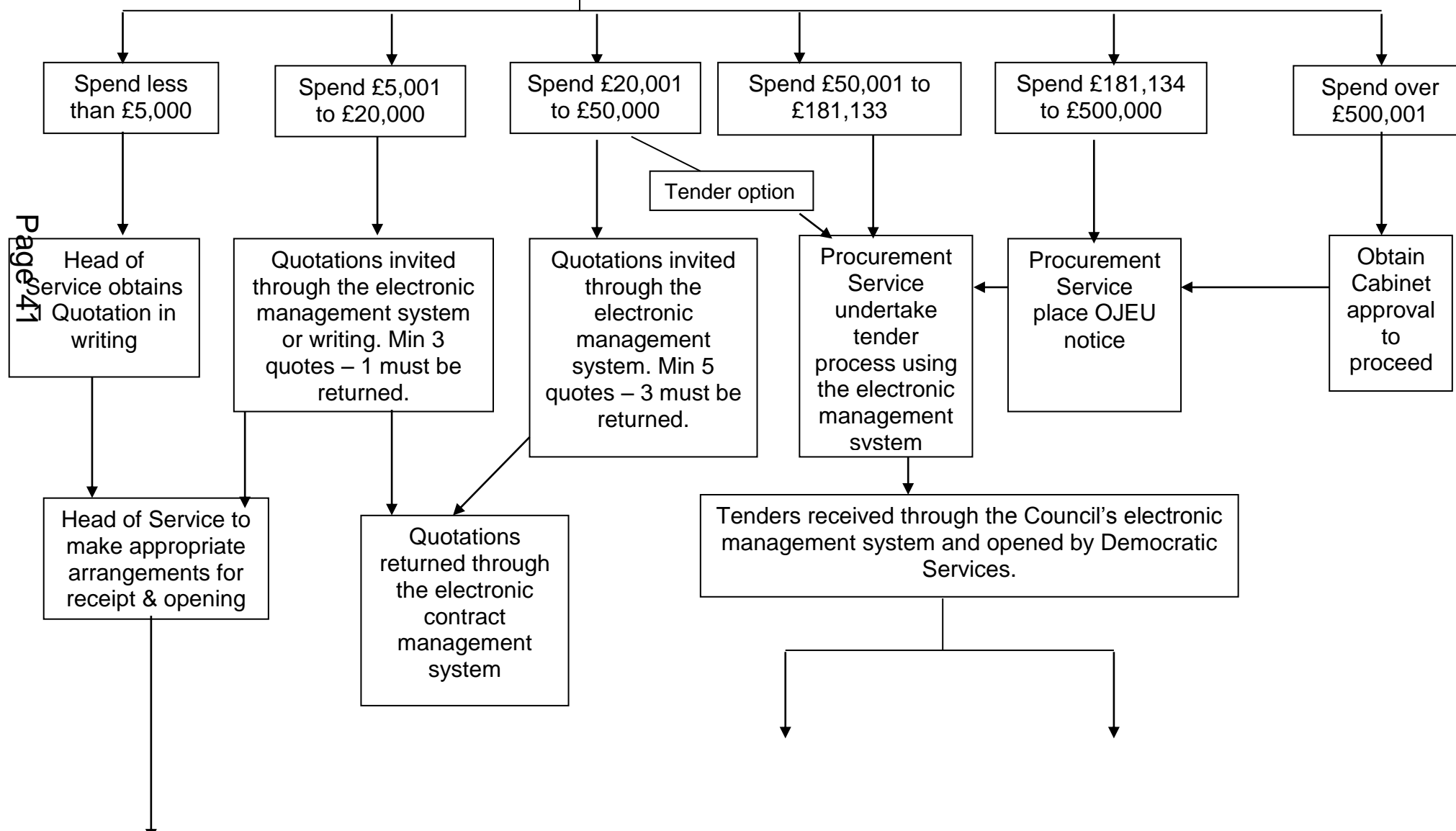
6.	Appendix 5 Thresholds Band Chart	Please refer to Appendix 5 Current Threshold Bands Chart below	Please refer to Appendix 5 Revised Threshold Bands Chart below
		Reason for proposed change: To reflect the proposed changes to Contract Standing Orders.	
Implications of proposed change: <ul style="list-style-type: none">Finance and other resource implications: These changes will be met with existing resources.Legal implications: The proposed changes are compliant with Public Contracts Regulations 2015.Consultation/Engagement undertaken (internal and external): Internal Consultation Consultation has been undertaken with the Covid19 Recovery Workstream Leads for Supply Chain, Legal and Finance.Human Rights implications: There are no human rights implications directly arising from this report.Equalities and Diversity implications: All procurement exercises ensure compliance with the 2010 Equality Act and Public Sector Equality Duty and therefore will not unlawfully discriminate against employees or service users with particular protected characteristics. The future contracts will also stipulate that the Provider must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities in implementing Equal Opportunity requirements, and to promote equality and prevent discrimination. Risk Management implications: Risks have been considered and evaluated.			

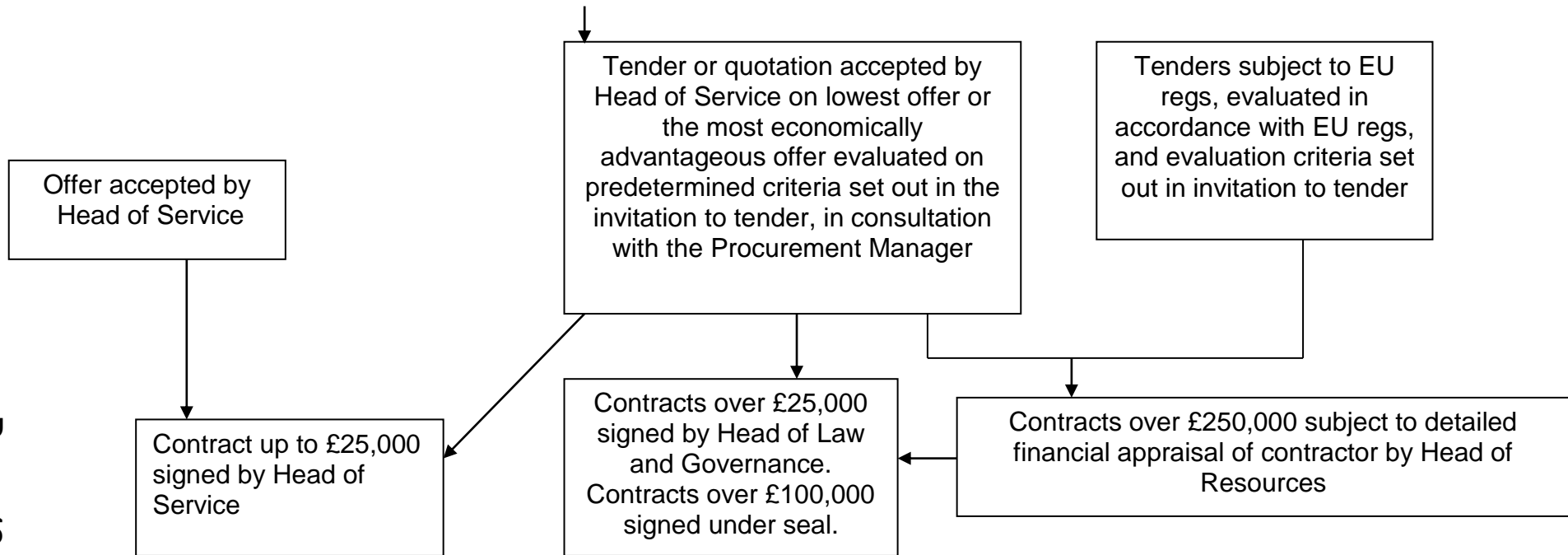
	<ul style="list-style-type: none"> • Crime and Disorder implications: There are no crime and disorder implications directly arising from this report. • Environment and Sustainability implications: The proposed changes will support the Authority's Covid19 Recovery plan to build back better and increase opportunities for local suppliers and ensure their longer-term sustainability. Using local suppliers will also provide local job security, training opportunities, social value outcomes and lower transport costs with an overall reduction in the carbon footprint of the Authority.
	Proposed by: Julie Batey, Denise Pearson and Sarah Heslop Service Area: Procurement and Environment, Housing & Leisure Contact Tel. No: 07817 574163
	Head of Service sign-off: (please insert a cross in the box) <input checked="" type="checkbox"/>

The revised Contract Standing Orders in their entirety including the above proposed changes are attached.

Appendix 4 – CURRENT Procurement Process Flowchart

Start Procurement Process by consulting with Strategic Procurement

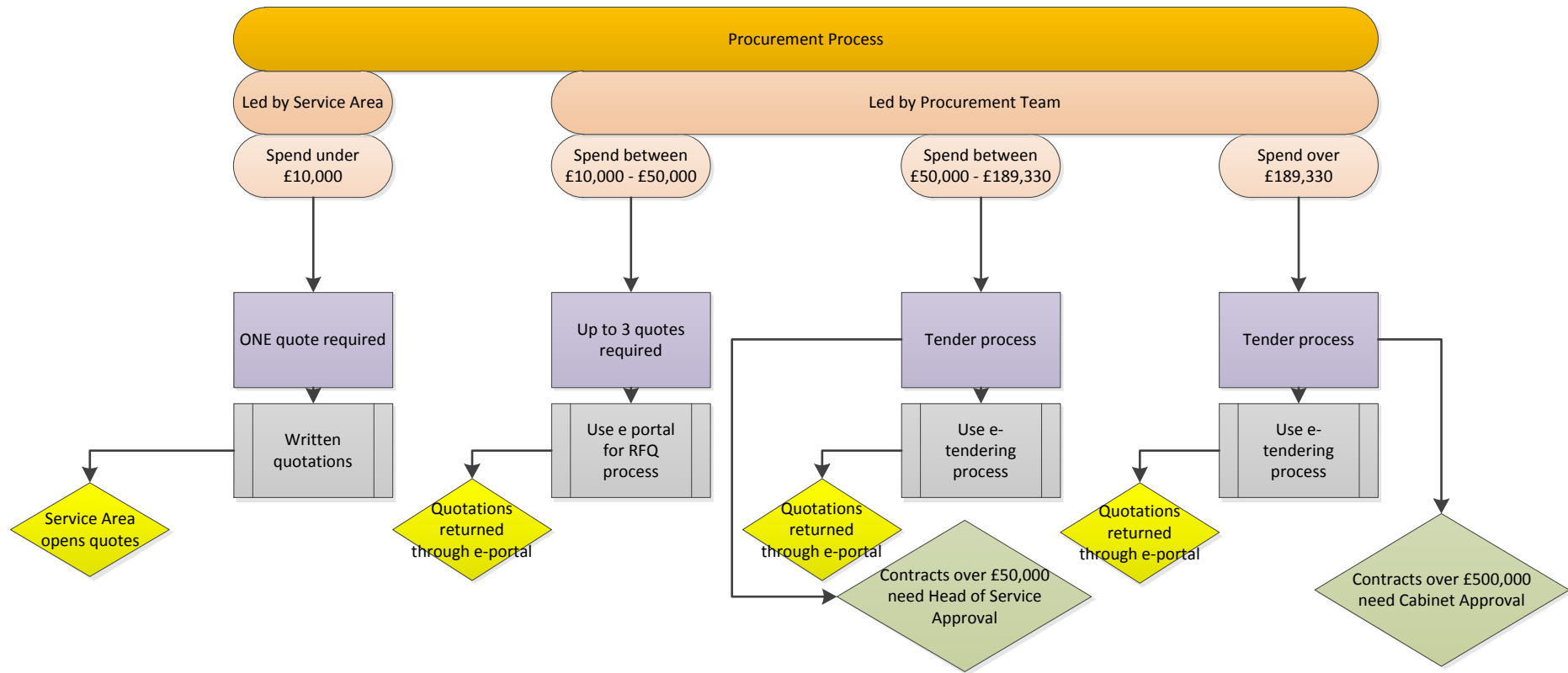




The flowchart on page 30 represents a summary of Council Standing Orders with respect to Contracts.

The diagram is designed to assist officers in understanding the contract process, but is not a comprehensive model. If in doubt reference should be made to full Contract Standing Orders – or advice sort from the Strategic Procurement Service.

Appendix 4 REVISED Procurement Process Flowchart



The flowchart on page 30 represents a summary of Council Standing Orders with respect to Contracts.

The diagram is designed to assist officers in understanding the contract process, but is not a comprehensive model. If in doubt reference should be made to full Contract Standing Orders – or advice sort from the Strategic Procurement Service.

Appendix 5 CURRENT Threshold Bands Chart

Banding Threshold	Number of tenders / quotations to be sought	Minimum number of quotations to be returned	Records required	Method of invitation	Responsible
Up to £5,000	1	1	Written record if possible	Verbal or written quotation	Head of Service
£5,001 to £10,000	3	1	Written record	Written quotation or use of E Tendering system	Head of Service
£10,000 to £20,000	3	1	Written Record	Written quotation or use of E Tendering System	Procurement Team
£20,001 to £50,000	5 or tender	3	Written Record	E Tendering System	Procurement Team
Over £50,000	Tender exercise		Written Record	E Tendering System	Procurement Team

Appendix 5 REVISED Threshold Bands Chart

Banding Threshold	Number of tenders / quotations to be sought	Minimum number of quotations to be returned	Records required	Method of invitation	Responsible
Up to £10,000	1	1	Written Record	Written Quotation	Head of Service
£10,001 to £50,000	3 where possible including 1 local where appropriate, unless agreed in advance by Procurement Team	1	Written Record	Use of E Tendering System	Procurement Team
Over £50,000	Tender exercise		Written Record	E Tendering System	Procurement Team

Where there are existing Council framework contracts mini competitions can be undertaken by the Service Areas via the e-tendering portal, following instruction and relevant training from the Procurement Team.

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Constitution - Part 7

Contract Standing Orders

Date: August 2020



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Version Control

This version of Contract Standing Orders incorporates changes proposed as part of the Covid 19 Recovery Workstream for Supply Chain to ensure a local and national supply chain can recover from the COVID crisis and grow in a safe and sustainable way.

The content and operation of Contract Standing Orders will be kept under review by officers within Law and Governance, the Strategic Procurement Service and Audit, Risk and Procurement. Should the review identify any proposed changes to Contract Standing Orders these will be presented to the Annual Council Meeting for approval.

CONTRACT STANDING ORDERS**MADE BY NORTH TYNESIDE COUNCIL PURSUANT TO SECTION 135
OF THE LOCAL GOVERNMENT ACT 1972****1. Introduction**

- (1) The Council is required by Section 135 Local Government Act 1972 to have Standing Orders in relation to its contracts. All contracts for goods, works and services must comply with them.
- (2) The purpose of these Standing Orders is to set clear rules for the procurement of goods, works and services for the Council. This will ensure the openness, integrity, accountability and probity of the process. It also ensures value for money and gives confidence that the Council is fulfilling its fiduciary and legal responsibilities.
- (3) Any dispute or difference as to the interpretation of these Standing Orders and/or any related Code of Practice shall be resolved by the Head of Law and Governance. All such documents will be regularly reviewed.
- (4) The Head of Law and Governance in consultation with the Head of Resources has delegated authority to review and propose any amendments to these Standing Orders.
- (5) Various figures in the Standing Orders are subject to review by the Council annually, and can also be changed by Regulation. The current figures should always be checked. All figures and thresholds included in these Standing Orders exclude VAT.
- (6) The Chief Executive, Head of Law and Governance, The Head of Resources and the Procurement Manager may delegate to named officers within their service area any of the specific duties identified in these Contract Standing Orders. In these circumstances documentary evidence of the authorisation must be kept.
- (7) A reference to any statute, order, regulation or similar instrument shall be construed as a reference to that statute, order, regulation or instrument as from time to time amended, modified or re-enacted by any subsequent statute, order, regulation or instrument after the date of these Contract Standing Orders and include any by-laws, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions (together with any conditions attaching to any of the foregoing) made thereunder.

2. Compliance and Conduct of Officers and Members

- (1) Every contract made by or on behalf of the Council must comply with:
 - (a) All relevant statutory provisions;

- (b) The relevant European Procurement rules (i.e. the EC Treaty, the General Principles of EC law and the EC Public Procurement Directives implemented by the UK Regulations);
 - (c) The Council's Constitution including these Contract Standing Orders, the Council's Financial Regulations and Officer Delegation Scheme and associated codes of practice; and
 - (d) The Council's strategic objectives, procurement strategy and policies.
- (2) All Council employees and organisations engaged to act in any capacity to manage or supervise a contract **must** comply with these Contract Standing Orders, Financial Regulations, the Officer Delegation Scheme and associated codes of practice, and each Head of Service must ensure such compliance in the Service Areas for which he/she is responsible. Failure to comply with Contract Standing Orders, Financial Regulations, the Officer Delegation Scheme or any associated code of practice may result in disciplinary action and legal proceedings against the officers or organisations concerned.
- All Council employees and organisations engaged on the Council's behalf must ensure that any conflicts of interest are avoided. (See also the Code of Conduct for Employees).
- (3) Where it becomes apparent that there has been a failure to comply with these Standing Orders then the relevant Head of Service or Chief Executive is required to produce a report outlining the reasons for the non-compliance and the steps taken to prevent a reoccurrence. That report will be submitted to the Chief Executive and Head of Law and Governance or the Head of Resources.
- (4) Members, including the Elected Mayor must conform to the Members' Code of Conduct. Officers must comply with the Code of Conduct for Employees.
- (5) No Member of the Council, including the Elected Mayor, shall enter either orally or in writing into any contract on the Council's behalf.
- (6) Any officer, Member, agent of the Council or contractor, whilst acting on the Council's behalf in relation to any contractual matter shall ensure that the independence and integrity of the Council's procedures are at all times maintained. Failure to observe such standards of conduct will be referred to the Chief Executive and Head of Law and Governance.

3. Waiving of Contract Standing Orders

- (1) The waiving of Contract Standing Orders may only be authorised in the following circumstances:
- (a) Where the total value of the works/services to be procured is less than £50,000 the appropriate Head of Service shall submit a report to their Chief Executive or, in respect of the Chief Executive's Office, Head of Law and Governance or The Head of Resources in consultation with the Procurement Manager for agreement. In the absence of agreement the matter may be referred to the Chief Executive for a decision.

- (b) Where the total value of the works/services to be procured exceeds £50,000 the appropriate Head of Service shall obtain the approval of the Procurement Manager and following this submit a report to the Head of Law and Governance and the Head of Resources for agreement. In the absence of agreement the matter may be referred to the Chief Executive for a decision; or
 - (c) In circumstances where the funding for the procurement of the goods/services is from a third party and the procurement process is specified as a condition of the funding (in the absence of such conditions the Council's Contract Standing Orders shall apply)
- (2) The Head of Resources will ensure that a register of all such waivers of Contract Standing Orders is maintained.
 - (3) In all cases a full record of the decision making process will be retained for a minimum of six years.

4. Role of the Strategic Procurement Service

The Strategic Procurement Service is central to procurement strategy. The role of the unit is to support and manage all procurement activities and processes within the Council. The unit is responsible for:

- (a) Ensuring that the Council complies with EU Procurement Regulations, UK Legislation and Standing Orders;
- (b) Providing support to Service Areas as to content of the tender, tendering process, tendering timescales, length and type of contract, award criteria, performance monitoring and action; and
- (c) Providing direction, advice and guidance to Service Areas on all procurement issues with the aim of ensuring continuous improvement in procurement practice across the Council.

5. Prior Information Notices and Statistics

The Council has responsibilities to publish Prior Information Notices under the European Procurement requirements and to the Government in relation to producing annual data relating to its procurement activities.

- (1) Where it is considered appropriate by the Procurement Manager, the Council may publish a Prior Information Notice in the Official Journal of the European Union at the beginning of the financial year listing the contracts for services and supplies which it expects to procure for the financial year and which in aggregate will exceed the threshold limits for the European Rules to apply. In relation to contracts for works, the Council may publish a Prior Information Notice in the Official Journal of the European Union when the works are approved.
- (2) The contracts register is an electronic, searchable register of all Council contracts and is maintained by the Strategic Procurement Service. All Heads of Service must provide the Strategic Procurement Service with the

information required to maintain a complete contracts register. The purpose of the register is to:

- (a) Maintain a complete and accurate record of all Council contracts;
- (b) Ensure compliance to contract. Service Areas, when sourcing none-catalogued goods and services, should search the register for contracted suppliers before initiating a request for the contracting of a supply opportunity; and
- (c) Ensure that the re-contracting of goods and services are initiated, in a timely manner, in accordance with EU procurement regulations, UK legislation, Contract Standing Orders and associated codes of practice.

6. Pre Procurement Requirements

- (1) Before commencing any proposed procurement process, the appropriate Head of Service must:
 - (a) Consult the Procurement Manager on the method of procurement and notify the Head of Resources where that method involves a tendering process;
 - (b) Consult any Head of Service who may be able to provide the works or services required to ascertain whether that Head of Service wishes to provide the works or services, or wishes to assist with this provision;
 - (c) Before engaging with any external works or service provider, check their status against any existing approved framework agreement. (see section 10) Deviation from an approved framework agreement must be sanctioned by the Head of Resources;
 - (d) Be satisfied that a specification that will form the basis of the contract has been prepared;
 - (e) Have prepared and documented an estimate of the anticipated cost of the contract, including where appropriate any maintenance costs and the costs of any options to extend the contract. This estimate must be used in determining the correct tendering procedure under Standing Order 8;
 - (f) Have clearly established the contract period in consultation with the Procurement Manager outlined in Standing Order 4(b); and
 - (g) Ensure that all the evaluation criteria have been determined in advance.
- (2) Where any procurement exercise involves more than one service area, a lead officer will be appointed to ensure compliance with the Council's Contract Standing Orders, Financial Regulations and any relevant Codes of Practice.

- (3) Heads of Service must ensure that arrangements for the procurement of works/services are not artificially split either to remove them from control through these Contract Standing Orders or to reduce their value in terms of the thresholds referred to in Contract Standing Order 8.

7. Pre Contract Requirements

- (1) Before entering into a contract with any prospective contractor, the appropriate Head of Service must:
 - (a) Be satisfied about the technical capability of that contractor on the basis of the information provided by that contractor;
 - (b) Where an approved framework agreement exists for the supply of , the works or services concerned, ensure that the contractor is included in the agreement;
 - (c) Ensure that these Contract Standing Orders and associated codes of practice have been complied with, and that the proposed contract represents value for money.
- (2) All Heads of Service are under a duty to ensure that works/services purchased within their service area are reviewed in order that the scope for establishing medium to long-term contract arrangements is fully explored. This is essential to securing optimum value for money and economies of scale for the Council. The Procurement Manager should also be consulted to identify any opportunities for establishing arrangements across service areas.

8. Contract Thresholds and Tendering Procedures (see also Contract Standing Order 9)

- (1) For contracts valued at up to £10,000, the Budget Manager may invite one quotation. However, more may be invited at the Head of Service's discretion. A standard template as determined by the Procurement Manager may be used for such quotations. Every effort must be made to obtain quotations in writing, or through the Council's electronic contract management system, although it is appreciated that this may not be practical for some procurement at the lower end of this threshold. In all events, however, the Head of Service should proceed in a manner most appropriate to the efficient management of the service, having kept a record of the reason for doing so. Where there is an approved framework agreement in existence then that agreement must be used as the source of providing the names of contractors from whom quotations are sought. Details of Framework Agreements can be obtained from the Council's Strategic Procurement Service. This will be subject to periodic checks as part of the internal audit process.
- (2) For contracts valued from £10,001 up to £50,000, the Budget Manager in consultation with the Head of Service concerned must engage with the Procurement Manager who will invite a minimum of three written quotations, in most circumstances, including one local supplier where appropriate however this will be dependent on the market, the service or goods required and value for money. Where there are not three available suppliers due to the specialist nature of the requirements less than three quotations may be requested but this must be agreed in advance with the Procurement Manager. Quotations within this threshold must be

returned to the Procurement Team and opened by a representative of the Procurement Manager in conjunction with a representative of the appropriate Head of Service. A standard template as determined by the Procurement Manager must be used for such quotations.

All quotations for a proposed contract with an estimated value of over £10,001 and up to £50,000 must be invited and received through the Council's electronic contract management system, unless the Head of Law and Governance approves the use of an alternative method.

The Head of Service may, depending on the nature and/or evaluated risk of the contract, wish to invite tenders rather than written quotations. An example could be due to the complexity of the service to be provided or the Council may feel that suppliers could provide a more innovative solution. In such instances the Head of Service must consult with the Procurement Manager on the most appropriate option.

- (3) For contracts with an estimated value of £50,000 and above a tendering procedure is required via the Procurement Team using either the restricted or open procedure or through a competitive procedure with negotiation, a competitive dialogue process or an innovative partnership. Details of these procedures are set out in Appendix 1. All tenders must be invited and received through the Council's electronic contract management system, unless the Head of Law and Governance approves the use of an alternative method.
- (4) Appendix 5 shows threshold detail in table format.
- (5) In addition, the appropriate Head of Service will make arrangements to notify the relevant Cabinet Member of all procurement with a value of between £50,000 and £500,000. Where a contract may exceed the relevant European Union threshold, as set out in Appendix 2, advice must be obtained from the Procurement Manager prior to any procurement activity taking place and an auditable process must be applied to ensure compliance.
(See also Contract Standing Order 9)

Where it is proposed to undertake a procurement exercise and the estimated total cost of the works/services to be procured will or is reasonably expected to exceed £500,000 in value, a report must be submitted to Cabinet. The report must include details of the works/services concerned, the financial implications over the whole length of any proposed contract and the procurement method to be utilised. The approval of the Cabinet is required to enable the procurement to be progressed.

- (6) Contract Standing Orders 8(1), 8(2) and 8(3) above shall not apply in the case of:
 - (a) Goods or materials purchased at auction sales;
 - (b) The extension of existing contracts where prices have remained unaltered or have varied only slightly and are otherwise clearly competitive provided that provision for extension has been included in the original contract. In such instances the Head of Service must maintain a record of all decisions taken and the reasons for those decisions; (See also Contract Standing Order 19);

- (c) Purchase of patented or proprietary goods or materials sold only at a fixed price;
- (d) Goods or materials in respect of which effective competition is prevented by government control;
- (e) The purchase of a named product required to be compatible with an existing installation as approved by the appropriate Head of Service;
- (f) The instruction of, advice from or service provided by counsel or instructions to solicitors to act on the Council's behalf;
- (g) Procurements made through or on behalf of any consortium, association or similar body provided that tenders or quotations are invited and contracts placed in accordance with procedures which are broadly equivalent to these Standing Orders and also comply with any National or EU Legislation;
- (h) The purchase of a work of art or museum specimen as approved by the appropriate Head of Service;
- (i) Purchases, works and services required by the appropriate Head of Service so urgently as not to permit compliance with the requirements of competition. The urgency in this case must arise from unforeseen circumstances and not just failure to address the need for compliance in a timely manner. In any event the national and European procurement regulations will still apply;
- (j) Special education or social care contracts, if in the opinion of the appropriate Head of Service and Head of Law and Governance, it is considered in the Council's interests and to meet its obligations under a relevant legislation (Guidance note attached as Appendix 3); and
- (k) The exercise of specified Statutory Grant Aid powers delegated to an appropriate Head of Service.
- (l) Registration with statutory regulators including Care Quality Commission (CQC)
- (m) Subscriptions to statutory bodies
- (n) Contracts with GPs and Pharmacies
- (o) Contracts for Out of Area GUM (Genito Urinary Medicine)
- (p) Payments to Examination Boards
- (q) Coroner Office Expenses
- (r) with Driver and Vehicle Licensing Agency and/or Driver and Vehicle Standards Agency with regard to Council owned or operated vehicles;
- (s) Mandatory works by statutory undertakers, where the statutory undertaker is the only body which can perform the works. (e.g.

Northumbria Water specifically for water and sewerage infrastructure works, Northern Powergrid specifically for electricity infrastructure works, British Telecom – specifically for telecoms infrastructure works, Network Rail specifically for works affecting the railway infrastructure etc.);

- (7) In any of the circumstances set out in Standing Order 8(6) above, a report should be written by the Head of Service to the Procurement Manager where the value of the works and services is less than £50,000. Where the total value exceeds £50,000 a report should be submitted to the Head of Service, Procurement Manager, Head of Law and Governance and The Head of Resources. This report should detail items procured, cost to the Council, reason for urgency (if applicable) and supplier information.

9. Contracts subject to European Regulations

- (1) Where an estimated value of a contract exceeds the current European Union Threshold then the contract shall be tendered in accordance with the European Regulations. Advice should be sought from the Procurement Manager as to the need for compliance and as to the process to be followed. A broad outline of the requirements is set out in Appendix 2. The requirements are complex and it is essential that guidance be sought as the Council can be heavily penalised for non-compliance with European requirements.

10. Framework Agreements

- (1) A framework agreement is an overarching agreement or arrangement between one or more contracting authorities (contracting authorities include local authorities, fire authorities, police authorities, government bodies etc. as listed in Schedule 1 of the Public Contract Regulations 2015) and one or more contractors. The framework agreement sets out the terms and conditions for any subsequent specific call-offs (i.e. individual orders for supplies, services or works placed under that framework) made by the contracting authority during the term of that agreement or arrangement. The overarching framework agreement or arrangement itself may or may not create any binding obligations (such as any exclusivity obligations, or whether to buy or supply or not to buy or supply) on either or both parties.
- (2) Where a framework agreement has an estimated maximum contract value over its lifetime above the relevant EU threshold prevailing from time to time, the procurement and award of the framework agreement will be subject to EU procurement rules, and the duration of the framework must not exceed four years unless there are exceptional circumstances.
- (3) Where a framework agreement has been identified by Strategic Procurement, Heads of Service can authorise the use of these frameworks in consultation with the Procurement Manager.
- (4) The framework agreement should set out clear price structure and the call-off award criteria applicable to future call-offs. Where the pricing or terms of future call-offs are not precise or complete enough when the framework agreement is set up, a mini-tendering should be held with those framework contractors who

are capable of meeting the particular requirements of the relevant call-off (i.e. not necessarily every provider under the relevant framework), using the call-off contract award criteria previously set out when the framework was first set up.

- (5) As per Office of Government Commerce (OGC) Guidance on Framework Agreements updated in October 2016, precise terms to be agreed at the particular mini-tender stage for a specific call-off could include:
 - (a) Delivery time;
 - (b) Invoicing arrangement and payment profiles;
 - (c) Additional security needs;
 - (d) Incidental charges;
 - (e) Associated services such as installation, maintenance and training;
 - (f) Mixes of rates and quality;
 - (g) Price mechanism; and
 - (h) Terms specific to the particular products or services required to meet a particular requirement.
- (6) The contractors' technical ability and or financial standing are not relevant in the mini-tendering stage. Sufficient time is to be allowed for the return of bids for the relevant call-off, taking into account the complexity of the call-off. The weighting of applicable award criteria (based on those set out in the framework) to be used in the mini-tendering can vary to reflect the requirements of the particular call-off.

11. Submission, Registration and Opening of Quotations (see also Contract Standing Order 8)

- (1) A quotation is defined as a written priced offer provided to the Council for the supply of goods, works and/or services. It may be provided on the supplier's paperwork, and be subject to the suppliers terms and conditions.
- (2) For quotations up to the value of £10,000 Heads of Service must make appropriate arrangements for their receipt, recording and opening. Arrangements should include a specified period of time during which quotations will be received for the procurement of specific works/services. Quotations received verbally must be confirmed in writing. A record of quotations received, opened and considered must be retained.
- (3) All quotations between £10,001 and £50,000 in value must be returned in writing to the offices of the Procurement Manager or through the Council's electronic contracts management system. The Head of Service is responsible for ensuring that such quotations are returned in an envelope pre marked with the word "Quotation" and the subject to which it relates or in a form prescribed by any electronic system used for the purpose. All quotations must be submitted by the time and date specified in the invitation as being the last time and date for receipt. A record of quotations received, opened and considered must be retained.
- (4) The Procurement Manager must make arrangements for the receipt, registration and secure retention of all quotations valued between £10,001 and £50,000. All such quotations must be opened at one time with

representatives of the Procurement Manager and the Head of Service present and details recorded.

12. Submission, Registration and Opening of Tenders (see also Contract Standing Order 8)

- (1) A tender is defined as a supplier's written, priced offer (made in a form prescribed by the Council) in response to a specific invitation for tendering by the Council for the supply of goods, works and/or services as described in the specification prepared by the Council. Other than in exceptional circumstances (as determined by the Head of Law and Governance) the tender must be submitted in an electronic format via the Council's electronic management system and will be subject to the Council's terms and conditions.
- (2) Invitations to tender shall state that no tender will be received unless it is:
 - (a) in an electronic tender time-box specifically set up for the purpose: and
 - (b) submitted by the time and date specified in the Invitation to Tender as being the last time and date for the receipt of tenders.
- (3) Each tender submitted will remain in the electronic tender time-box until the time appointed for opening. Tender documents received within the electronic tender time-box will remain in a read only state throughout the tender opening and evaluation stage.
- (4) A representative of the Head of Law and Governance will open electronic tenders.
- (5) Prior to opening, the Head of Law and Governance must have details of the type of goods or materials to be supplied or disposed of, or the work or service to be carried out and the name of all potential tenderers.
- (6) No tender received after the date and time indicated for the receipt of tenders will be considered. Any such tender will be opened separately, and after those that are received prior to the submission deadline, so as to enable the Head of Law and Governance to identify the tenderer and notify them of the late receipt and rejection of the tender in question.
- (7) Only the Head of Law and Governance can exclude a tender from the process, if that tender does not comply either with these Contract Standing Orders or the tendering instructions.
- (8) Where the Head of Law and Governance considers that a non-electronic tender exercise can be carried out, the invitation to tender instructions shall specify that no tender will be received unless it is:
 - (a) In a sealed tender envelope, which must bear the word "Tender", and the subject to which it relates;
 - (b) In an envelope which bears no details of name, mark, slogan or logo of the firm on the exterior;

- (c) Returned to the Offices of the Head or Law and Governance; and
 - (d) submitted by the time and date specified in the Invitation to Tender as being the last time and date for the receipt of tenders.
- (9) The Head of Law and Governance must, on receipt of a non-electronic tender, indicate on the envelope the date and time of its receipt.
- (10) Non-electronic tenders will be opened at one time by a representative of the Head of Law and Governance. Such tenders must only be opened at meetings pre-arranged by the Head of Law and Governance. The Procurement Manager, and the relevant Head of Service must be represented at all non-electronic tender openings.
- (11) Prior to opening, the Head of Law and Governance must have details of:
 - (a) The type of goods or materials to be supplied or disposed of, or the work or service to be carried out;
 - (b) The name of all potential tenderers; and
 - (c) The date and time of receipt of each tender/quotation as recorded on the envelope.
- (12) At the time the non-electronic tenders are opened, the Head of Law and Governance or their representative must record:
 - (a) The amount of each tender where appropriate;
 - (b) The date of the opening of a tender;
 - (c) The signatures of all persons present at the opening of each tender;
 - (d) The reason for any disqualification of any tender;
 - (e) The name of each organisation invited to tender but who did not submit a tender;
 - (f) Where possible the position by competitive order of value of tenders received;

and ensure that:

 - (g) The form of tender is initialled.

13. Errors in Tenders

Where the Construction Industry Board Code of Practice applies then errors in tenders will be dealt with in accordance with that code. In all other cases errors in tenders shall be dealt with in one of the following two ways:

- (a) The tenderer shall be given details in writing of the error(s) found during the examination of the tender and shall be given the opportunity of confirming in writing without amendment or withdrawing a tender; or

- (b) Amending the tender to correct genuine arithmetic errors provided that in this case, apart from these genuine arithmetic errors, no other adjustment, revision or qualification is permitted.

Invitations to tender must state which method will be used for dealing with errors in tenders.

14. Tender Evaluation (see also Standing Order 16)

- (1) Tenders that are subject to European Regulations will be evaluated in accordance with the relevant Regulations and the evaluation criteria will be clearly set out in any invitation to tender.
- (2) All other tenders, except those where lowest price is predetermined to be the appropriate criteria, will be evaluated on criteria predetermined in consultation with the Procurement Manager. Such criteria will include considerations of quality as well as price and will aim to secure a contract that is the most economically advantageous to the Council.
- (3) The predetermined evaluation criteria must be listed in any invitation to tender, including any weighting to be applied. Such criteria must be strictly observed at all times by those involved in the tender evaluation.
- (4) For each contract that involves an evaluation process, the relevant Head of Service must form an evaluation team with responsibility for carrying out the evaluation process. Representatives of other service areas (where necessary) and the Strategic Procurement Service will be included in the evaluation team.
- (5) A summary sheet recording the outcome of the evaluation process must be completed, signed by all those involved in the evaluation and retained.

15. Acceptance of Tenders/Quotations

- (1) Authority to accept tenders/quotations lies with Heads of Service in accordance with the Council's Officer Delegation Scheme and subject to compliance with the general provisions of these Contract Standing Orders and specifically where:
 - (a) The tender to be accepted is the lowest in price where payment is to be made by the Council and where price has been the predetermined criteria;
 - (b) The tender to be accepted is the highest where payment is to be received by the Council and where price has been the predetermined criteria;
 - (c) The tender is identified as the most economically advantageous by virtue of the predetermined evaluation criteria; or
 - (d) The tender is identified as the most suitable tender according to any evaluation criteria required under relevant European Regulations.

- (2) The provisions for the waiving of Contract Standing Orders to accept a tender/quotation that does not comply with this Standing Order are set out in Standing Order 3.
- (3) Subject to Contract Standing Order 15(2) above, if after evaluation the tender/quotation is within the relevant budget provision then:
 - (a) In the case of a tender, the appropriate Head of Service may authorise the acceptance of the tender on behalf of the Council, such acceptance to be notified in writing to the successful tenderer in a manner specified by the Head of Law and Governance; or
 - (b) In the case of a quotation, the appropriate Head of Service may accept the quotation by issuing an Official Order (which should be signed by that Head of Service) where appropriate accompanied by an Agreement signed by the Head of Law and Governance.
 - (c) An electronic order, or purchasing card, may be used to accept a quotation, in accordance with the systems procedures and controls in place relating to their use.
 - (d) Notwithstanding the above, the appropriate Head of Service where appropriate must, prior to the Council entering into any contract, consult with the Head of Resources to establish the need to undertake any evaluation of the financial standing of the firm to whom it is proposed to award the contract. Where the contract value exceeds £250,000 the Head of Resources will carry out a detailed financial appraisal of the proposed contractor.

16. Bonds, Guarantees and Insurance

- (1) For contracts above £50,000, the evaluation team shall consider as part of its pre-qualification assessment and evaluation process whether a performance bond and/or a parent company guarantee (if applicable) shall be required from the preferred contractor.
- (2) The evaluation team, where appropriate in consultation with other relevant officers specialising in finance and insurance, shall consider the appropriate type (employer liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract.

17. Post-Tender Negotiations

- (1) This Standing Order relates to negotiations after the receipt of a quotation or tender.
- (2) Negotiations can only be commenced after the Head of Resources and the Head of Law and Governance have given the relevant Head of Service written approval of the procedure/s to be adopted to negotiate. A contract can be entered into only when the Head of Resources and the Head of Law and Governance have given written approval to the outcome of the negotiations.

18. Contract Variations

Variations relate to the content of the contract and are subject to the following:

- (1) All variations must be in the form of written instruction to the contractor. The likely cost effect of each variation should be assessed prior to the issue of the instruction. In cases where this would cause serious disruption to the contract, or where immediate action is necessary to prevent danger or damage, the instruction may be issued without prior costing, but in such cases this costing must be completed within twenty working days of the instruction being issued.
- (2) Wherever a variation to a contract is such that without it the contract cannot be properly completed in accordance with the original design, with a performance standard required by the original design, then it is an essential variation.

Heads of Service may authorise variations on contracts up to a value of £30,000 on contracts up to £500,000 in value and up to a value of £75,000 on contracts above £500,000 in value. Variations beyond these figures must be reported to Cabinet. Any additional costs resulting from the variations should be set against accrued savings elsewhere in the contract or other funding for the essential variation must be identified. Where a variation is likely to cause the authorised amount of the contract to be exceeded, the appropriate Head of Service shall seek the necessary approval set out in Financial Regulations prior to issuing the variation. Variations must also comply with the provisions of the Officer Delegation Scheme, Contract Standing Orders and Financial Regulations.

19. Contract Extensions

Extensions to contracts apply in circumstances where it is proposed to extend the contract for a further specified period of time and such extensions are subject to the following:

- (1) The terms of any contract extension(s) must be agreed on awarding the original contract;
- (2) The appropriate Head of Service in consultation with the Procurement Manager must review the arrangements in respect of all contracts where extensions are proposed to ensure that value for money is obtained and the relevant procurement regulations have been observed;
- (3) Provision for any contract extension(s) must have been made in the original contract and exceptions to this are only permitted where the necessary approvals have been obtained in accordance with Contract Standing Order 3.

20. Nominated Sub-Contractors or Suppliers

- (1) This Standing Order applies where a sub-contractor or a supplier is to be nominated by the Council to a main contractor.
- (2) Nominated sub-contractors or suppliers are defined as those persons specified in a main contract for the discharge of any part of that contract.

- (3) Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is less than £10,000 a Budget Manager must invite a minimum of one written quotation. If oral quotations are received, they must be confirmed in writing.
- (4) Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is between £10,001 and £50,000 then quotations must be invited in accordance with Standing Order 8(2).
- (5) Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is £50,000 or more then tenders must be invited in accordance with Standing Order 8(3).
- (6) The terms of any invitation for nominated sub-contractor suppliers must require that, if selected, the firms would be willing to enter into:
 - (a) A contract with the main contractor on terms which indemnify the main contractor against the main contractor's own obligations under the main contract in relation to the work or goods and materials included in the sub-contract; and
 - (b) An agreement to indemnify the Council in such terms as may be prescribed.
- (7) The appropriate Head of Service must nominate to the main contractor the organisation whose tender or quotation in his/her opinion is the most economically advantageous, provided that, where the tender is other than the lowest received, the Head of Service must submit a report for the agreement of the Head of Law and Governance and the Head of Resources. In the absence of agreement the matter may be referred to the Chief Executive for decision.

21. Written Contracts (see also Contract Standing Order 22)

- (1) Every contract must be in writing except where Quotations have been issued via the electronic contract management system where the terms and conditions of contract have been agreed and accepted electronically by the supplier.
- (2) All contracts for less than £50,000 shall be in writing, except those excluded by clause (1) above, and signed by the Head of Service to whom authority is given by the delegation scheme to enter into such contracts.
- (3) Every contract with a value between £50,000 and £100,000 shall be in writing and signed by the Head of Law and Governance or his authorised representatives.
- (4) All contracts valued in excess of £100,000 will be under seal or signed as a deed.
- (5) Every contract for the acquisition or disposal of an interest in land is to be in writing and signed by the Head of Law and Governance.

- (6) Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Law and Governance, the, Procurement Manager and the relevant Head of Service.

22. Contents of Contracts

- (1) All contracts shall contain such standard terms and conditions that shall be approved or required from time to time by the Head of Law and Governance in consultation with the, Procurement Manager. All contracts exceeding £50,000 in value will be in a form to be approved by the Head of Law and Governance.
- (2) The appropriate Head of Service must ensure that:
- (a) Every contract must set out:
 - i) The work, goods, services, materials, matters or things to be carried out or supplied;
 - ii) The price to be paid and, or the amounts in frequency or the method of calculation of contract payments with a statement of discounts or other deductions;
 - iii) The time(s) within which the contract is to be performed; and
 - iv) Such other matters referred to in this Standing Order or as may be agreed between the parties.
 - (b) **Cancellation:** Every contract must state that if the organisation fails to comply with its contractual obligations in whole or in part, the Council may:
 - i) Cancel all or part of the contract;
 - ii) Complete the contract;
 - iii) Recover from the organisation any additional costs in completing the contract;
 - iv) Take other legal action against the organisation.
 - (c) **Liquidated Damages:** Unless the Head of Law and Governance and the appropriate Head of Service consider it to be unnecessary or impractical, every contract must provide that:
 - i) Liquidated damages must be paid by the contractor if it fails to comply with the terms of the contract;
 - ii) Where under any contract; one or more sums of money are to be received by the Council, the contractor responsible for the payment of such sum or sums must pay interest at the rate stated in the contract from the date when payment is due until the date when payment is received;
 - iii) **Statutory Obligations:**
 - a. Each contract must provide that, in the performance of the contract, a contractor must not act incompatibly with the rights contained within the European Convention on Human

Rights or within the meaning and scope of any law, enactment, order or regulation relating to discrimination in employment (whether in race, gender, religion, disability, sexual orientation or otherwise).

- b. The contractor must provide any information reasonably requested relating to the performance of the contract to ensure that the Council meets its statutory obligations under Section 71 of the Race Relations Act 1976; in relation to the Transfer of Undertakings (Protection of Employment) Regulations 2006; and in relation to Best Value.
- iv) In the performance of the contract, the contractor must comply with the requirement of the Health and Safety at Work etc Act 1974 and of any other relevant Acts, Regulations, Orders or Rules of Law pertaining to health and safety.
- v) **Sub Contract Obligations:**
 - a. The contractor must not sub-contract the works or any part of the works, without the prior written consent of the appropriate Head of Service who will take advice from the Head of Law and Governance where appropriate.
 - b. Without prejudice and subject to any other condition of the contract, no sub-letting by the contractor will relieve the contractor of its liability to the Council for the proper performance of the contract.
 - c. The contractor is responsible to the Council for the proper performance and observance by all sub-contractors of all the contractor's obligations under the contract as references in the contract to "the contractor" were references to the sub-contractors. Failure or neglect by a sub-contractor is deemed to be failure or neglect by the contractor.
- vi) **Assignment:** The contractor is prohibited from transferring or assigning directly or indirectly to any person or persons whatsoever any part of its contract, without the prior written consent of the appropriate Head of Service, following consultation with the Head of Law and Governance and the Head of Resources.
- vii) **Standards:** All goods, materials, services or work must comply with any appropriate European Union Specification or Code of Practice or British Standards Specification or British Standard Code of Practice or European Union equivalents in force at the date of tender/quotation.
- viii) **Bribery and Corruption:** The Council is entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor or its employees or agents (with or without its knowledge):-

- (i) does anything improper to influence the Council to give the contractor any contract;
 - (ii) commits an offence under the Prevention of Corruption Act 1889-1916 or under Section 117(2) of the Local Government Act 1972.
 - ix) **Deductions from amounts due:** Contracts shall provide that whenever under the contract any sum of money is recoverable from or payable by the contractor, this sum may be deducted from any sum due or which at any time may become due to the contractor under this or any other contract with the Council. Exercise by the Council of its rights under this clause is without prejudice to any other rights or remedies available to the Council under the contract.
 - x) **Insurances:** The contractor must be required to provide evidence of adequate insurance to cover both public and employer's liability.
 - xi) **Non-fetter of power and discretion:** The Contract shall provide that nothing contained in the Contract shall fetter prejudice, restrict, interfere with or otherwise affect any of the statutory or any other discretionary rights, powers, obligations and/or duties for the time being vested in the Council of the Borough of North Tyneside ("the Council") howsoever as a local authority or the performance by the Council of any such obligations or duties or the means by which the Council shall in its absolute discretion exercise its rights or powers or fulfil or discharge any such obligations or duties.
- (3) Any standard terms and conditions of contracts submitted by contractors shall not be accepted without advice from the Head of Law and Governance. Proposed payment arrangements under a contract must be discussed with and agreed by the Head of Resources in advance of any contract being entered into.
- (4) No term or condition of any contract, whether submitted by contractors or otherwise, shall be agreed which requires or purports to require non-disclosure by the Council of any information contained within or arising from the contract, or the performance of the contract, without the prior agreement of the Head of Law and Governance.

This Contract Standing Order shall not apply in respect of public utilities order forms.

23. Retention of Documents

Other than in the case of circumstances set out below, all documents relating to contracts that have been subject to a procurement exercise must be retained for a minimum of 6 years from the expiry of the contract. Such documents include all those relating to the pre-tender stage, validation of tenders, evaluation process and contract award and monitoring.

Documents relating to any contracts under seal or signed as a deed must be retained for a minimum of 12 years.

Documents relating to building contracts must be retained for 15 years following the completion of works.

24. Joint Procurement

Any joint procurement arrangements with other local authorities or public bodies, including membership or use of purchasing consortia, will be undertaken in accordance with the principles set out in these Contract Standing Orders and/or the Contract Standing Orders of the lead authority or lead public body.

25. Procurement by Consultants/Agents

Any consultants/agents used by the Council shall be appointed in accordance with these Contract Standing Orders. Where the Council uses consultants/agents to act on its behalf in relation to any procurement, then the Head of Service shall ensure that the consultants/agents carry out any procurement in accordance with these contract Standing Orders. No consultant/agent shall make any decision on whether to award a contract or to whom a contract should be awarded. The Head of Service shall ensure that the consultant's/agent's performance is monitored.

Appendix 1

Tendering Procedures under Contract Standing Order 8(3)

- 1.1 The procedures set out in this Appendix apply to contracts with an estimated value of £50,000 or over or if the Head of Law and Governance considers that a call off under an established framework arrangement as described in Standing Order 10 is inappropriate.
- 1.2 There are four main procurement procedures to award a public contract.
2. **The Open Procedure**
 - 2.1 Under this procedure, all interested economic operators who meet the qualification criteria may tender. This procedure has been referred to as “one stage” tendering in that the assessment of tenderers, their qualifications for the contract, and the assessment of the bids they submitted take place at the same time.
 - 2.2 Public Notice must be given on the Council's website and electronic tendering system and may, where appropriate, be published in one or more newspapers or journals circulating among organisations who undertake such contracts. Public notice must be given in the Official Journal of the European Union and the information must be published on Contracts Finder, if the estimated contract value exceeds the prevailing EU threshold for supplies, services or works as the case may be.
 - 2.3 All organisations expressing an interest are invited to tender.
3. **Restricted Tendering Procedure**
 - 3.1 This procedure applies to contracts with an estimated value over EU service threshold limits or more or if the Head of Law and Governance considers that a call off under an established framework arrangement as described in Standing Order 10 or an open procedure are inappropriate. Where the Authority uses the restricted procedure, suppliers are able to ‘pre-qualify’ based on their financial standing, technical or professional capabilities to narrow the number of suppliers permitted to submit bids.
 - 3.2 Ten days’ Public Notice may be given on the Council’s website and electronic tendering system and where appropriate, if the estimated value of the contract exceeds EU service threshold limits, in one or more newspapers or journals circulating among such organisations who undertake such contracts, setting out details of the proposed contract, inviting tenders and stating the last date on which tenders will be received.
 - 3.3 After the expiry of the period specified in the Public Notice, tender documents must be sent to at least five of the organisations who expressed an interest in tendering and have passed pre-qualification criteria or, if fewer than five organisations have applied and are considered suitable, to all such organisations.

4. Competitive Procedure with negotiation

4.1 The Public Contracts Regulations 2015 abolished the standard Negotiated Procedure and replaced it with a new procedure called the "competitive procedure with negotiation". (A Negotiated Procedure without notice for use in very restricted circumstances will be retained.) Like Competitive Dialogue it is a competitive process where negotiations are to be carried out with all the bidders still in the procurement. The major change from the previous Negotiated Procedure will be that following negotiation on submitted tenders there will be a formal end to the negotiating and bidders will then be invited to submit a revised tender. This procedure specifies the extent to which the authority can change its requirements during the process. The Directive specifically precludes an authority from making changes to:

- the description of the procurement
- the part of the technical specifications which define the minimum requirements
- the award criteria.

However, it acknowledges the right to make changes to other parts of the specification provided bidders are given sufficient time to make an adequate response.

Other points to note include:

- as with Competitive Dialogue, there will be specific grounds which permit its use, this will include that "due to specific circumstances related to the nature or the complexity of the works, supplies or services or the risks attaching thereto, the contract cannot be awarded without prior negotiations"
- the minimum number of bidders to be invited is three
- it will be possible to hold the negotiation in stages and reduce the number of bidders at the end of a stage
- the ability to hold an accelerated procedure, currently limited to the Restricted Procedure, will be extended to the new procedure making it possible to use it in cases of urgency
- a bidder's solution or other confidential information is not to be revealed to other bidders without specific consent.

The new procedure will have much in common with Competitive Dialogue. What will distinguish them is that, in Competitive Dialogue the first phase solutions are developed until the authority considers that it has identified one or more capable of meeting its needs and then seeks to formalise positions in a tender, whereas in the new Competitive Procedure with Negotiation tenders are submitted initially, are then subject to negotiation and then resubmitted to finalise positions. Authorities may therefore be attracted to the new procedure in those cases where at present they might seek to run a truncated Competitive Dialogue procedure. This may be where the requirement is well developed and full tender documents can be produced and submitted but it is felt that there may be advantage in retaining the ability to hold negotiations if there are certain aspects which bidders raise.

5. Competitive Dialogue

5.1 The Competitive Dialogue is a procedure which is only available for use in circumstances when what is being procured is a “particularly complex contract” and the contracting authority considers that the use of the open or restriction procedure do not allow the award of that contract.

5.2 The decision to use competitive dialogue has to be justified in accordance with the relevant procurement regulations.

6. Innovation Partnerships

6.1 The innovation partnership is a new procurement procedure introduced under the Public Contracts Regulations 2015 that will enable contracting authorities to run a tender competition for both the development and the purchase of innovative goods, works or services in a single award process. Under the previous rules, where a contracting authority wishes to run a procurement procedure that combines both development and purchase elements together it encountered difficulties in structuring a competition that does not infringe upon the principles of equal treatment and transparency. The innovation partnership introduces a new procedure that allows for the combination of both the development and purchase elements, with express rules in place to seek to ensure equal treatment and transparency.

6.2 The process can only be used in limited circumstances, where (i) the goods, works and services that are sought are “innovative” and (ii) there is an intention to include both the development and purchase elements in the procedure, provided they correspond to agreed performance levels and maximum costs.

6.3 Competitions under the innovation partnership procedure will be governed by the same rules that will apply to other procurement procedures under the Directives. However, there are certain additional requirements specific to innovation partnership competitions which contracting authorities must also adhere to. Some of the key requirements include the following:

Required solution:

- The contract notice must set out sufficient information to allow tenderers to identify the nature and scope of the required solution as a whole and the minimum time limit for receipt of requests to participate is 30 days from the day which the contract notice is issued..
- The need for the innovative solution that cannot be met by products, works or services already available in the market must also be set out. It must also set out performance levels and maximum costs to which the resulting products or services must adhere.

Process:

- It will be in successive stages including the research and development of the solution which can take place in several stages, and the subsequent supply to the contracting authority of the solution. More than one partner can be identified and partners can then be eliminated as the development work progresses. The partnership will set intermediate targets to be attained by the partners and can provide for payments in appropriate instalments.

Selection criteria:

- Criteria must be applied in respect of tenderers' capacity in the field of research and development when selecting candidates. Capacity is distinguished from experience, so as not to rule out the involvement of start-ups.

Award phase:

- Whilst the minimum requirements and award criteria are not subject to negotiation, contracting authorities are required to negotiate with tenderers on their tenders to improve their content, save for the final tender. The criteria to award the innovation partnership must always be the most economically advantageous tender with the best price-quality ratio.

IP rights:

- Importantly, in the context of innovative products, works, or services, the procurement documents must provide for the protection of tenderers' intellectual property rights.

Proportionality:

- The estimated value of the supplies, works or services must not be disproportionate in relation to the value of the investment required for their development. This requirement seeks to avoid the abuse of the procedure and limit the quantum of the award to an amount that is essential to incentivise the development.

Subsequent purchase:

- The purchase of supplies, services or works developed under the partnership may be made only where they correspond to the agreed performance levels and maximum costs.

Appendix 2

A Summary of the Public Contracts Regulations 2015 (“the Regulations”)

Section 1

1. A procurement process must comply with the Regulations if the potential value of the contract exceeds the threshold values referred to below and the subject matter (goods, services or works) falls within the requirements of the Regulations.
2. Under the Regulations a relevant contract may be tendered under the open or restricted or, in exceptional circumstances as set out in the Regulations, the competitive procedure with negotiation or innovation procedure.
3. A contract notice in the prescribed form must be published in the Official Journal of the European Union (OJEU) in order to invite tenders for or expressions of interest for Services Contracts and Supplies and works tenders subject to the Regulations.
4. The distinction between Part A and Part B services is abolished in favour of a ‘Light touch regime’ to some contracts. However, the Regulations relating to technical specifications and the publication of contract award notices and the information to be published on Contracts Finder shall be observed for all contracts as shall the EC Treaty and the general principals of EC law including non-discrimination, equal treatment, proportionality and transparency.
5. The Regulations set out the minimum time scales for receipt of expressions of interest in tenders and also subsequently for the submission of bids. Where the Council has published a Prior Information Notice announcing its forthcoming contracts for the year ahead, then the Council may rely on reduced time scales if appropriate.

European Thresholds

- (1) The Regulations relate to the procurement of contracts for services and have a two-tier application. Some contracts will be subject to a ‘light touch regime’..
- (2) [Schedule 2](#) gives details of contracts subject to the ‘light touch regime’.
- (3) The current threshold for service contracts (as at 1 January 2020) is £189,330 with the following exceptions:
 - (a) Some of the telecommunications services in Category 5 (ie the television and radio broadcast services, interconnections services and integrated telecommunications services
 - (b) Research and development services - Category 8
 - (c) Light Touch Regime
 - (d) Subsidised services contracts under Regulation 34 of the Regulations

The current threshold for the above exceptions is also £189,330.

- (5) The current threshold for supplies contracts is £189,330.
- (6) The current threshold for works contracts (as at 1 January 2020) is £4,733,252 including for subsidised works contracts under Regulation 34 of the Regulations.
- (7) The current threshold for Light Touch Regime (as at 1 January 2020) is £663,540.
- (8) Section 4 gives details of the instances in which the Regulations shall not apply.

Instances in which the Regulations do not apply:-

- (a) the acquisition of land, including buildings and other structures, land covered with water, and any estate, interest, easement, servitude or right in or over land
- (b) the acquisition, development, production or co-production of programme material for radio or television by a broadcaster or for the purchase of broadcasting time
- (c) voice telephony, telex, radio telephony, paging or satellite services
- (d) arbitration or conciliation services
- (e) financial services in connection with the issue, purchase, sale or transfer of securities or other financial instruments
- (f) central banking services
- (g) research and development services unless:-
 - (i) the benefits are to accrue exclusively to the contracting authority for its use in the conduct of its own affairs
 - (ii) the services are to be wholly paid for by the contracting authority
- (h) contracts to which the provisions of Article 296 of the EU Treaty apply
- (i) a contract which is classified as secret or where the carrying out of the services under it must be accompanied by special security measures in accordance with the laws, regulations or administrative provisions of any part of the United Kingdom or when the protection of the basic interests of the security of the United Kingdom require it
- (j) where different procedures govern the procedures leading to the award of the contract and it is to be entered into:-
 - (i) pursuant to an international agreement to which the United Kingdom and a state which is not a relevant State are parties and it provides for the provision of services intended for the joint implementation or exploitation of a project pursuant to that agreement
 - (ii) pursuant to an international agreement relating to the stationing of troops
 - (iii) in accordance with the contract award procedures of an organisation of which only States are members (an "international organisation") or of which only States or international organisations are members

- (k) services which are to be provided by another contracting authority, or by a person which is a contracting authority in another member state for the purposes of Directive 2004/18/EC, because that contracting authority or person has an exclusive right:-
 - (i) to provide the services; or
 - (ii) which is necessary for the provision of the services, pursuant to any published law, regulation or administrative provision, which is compatible with the EEC Treaty.

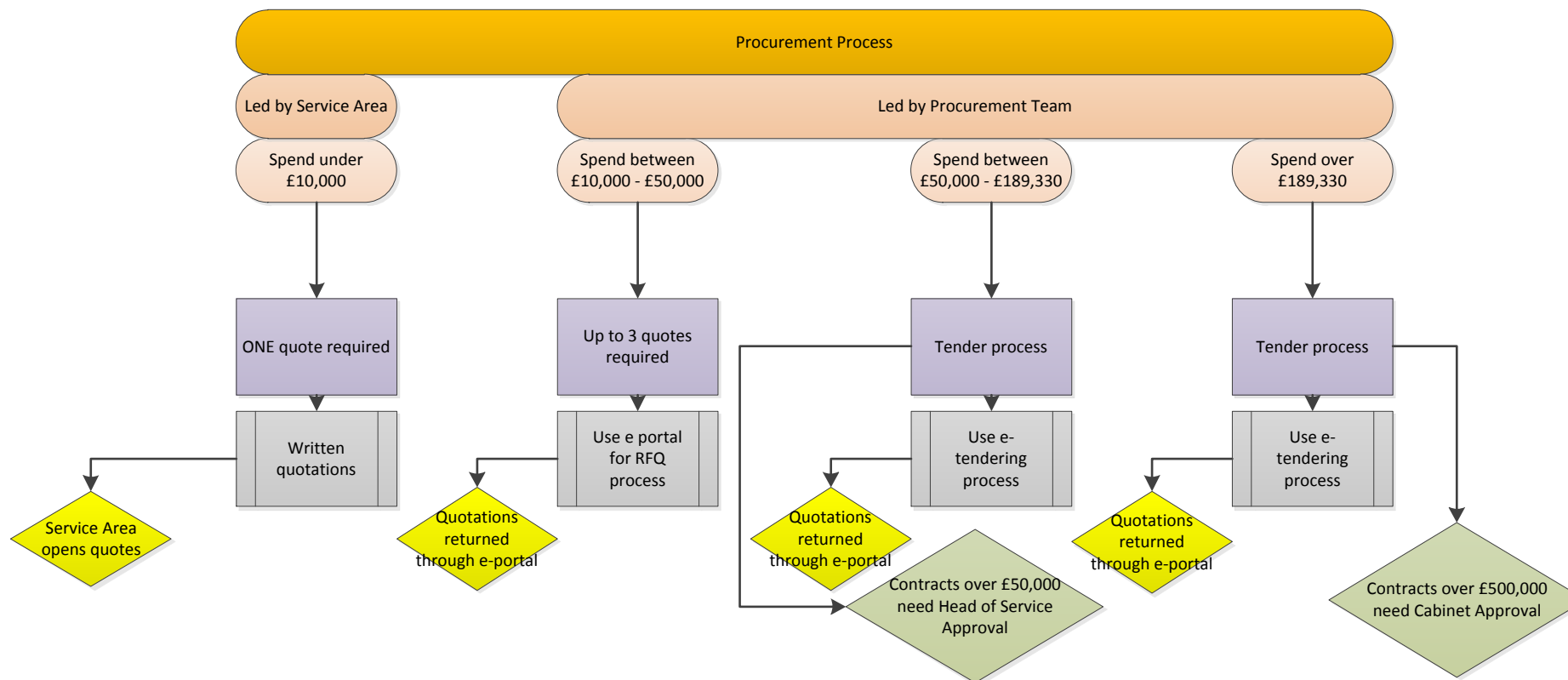
Appendix 3

Guidance on Exemptions under Paragraph 8(6)(j) of Contract Standing Orders

The exemption pursuant to paragraph 8(6)(j) provides that the contract thresholds and tendering procedures will not apply where, in relation to special education and social care contracts, if in the opinion of the Head of Service and the Head of Law and Governance, it is considered necessary in the Council's interests and to meet its obligations under relevant legislation.

1. In approaching the provision of all services the Council must always aim to achieve value for money and to demonstrate compliance with its obligations in terms of undertaking fair and transparent procurement processes.
2. It is recognised that in the education and social care areas individual needs will need to be met in accordance with the Council's legal responsibilities. Where possible, services should be provided through providers who have been procured through the Council's normal procurement processes to ensure value for money and appropriate service standards will be achieved.
3. The exemption from the Council's standard tendering thresholds and requirements will be relevant where:
 - an individual's needs are so special that the Council's contracted service providers are unable to meet the need, or
 - the Council's contracted service providers do not have the capacity to provide the service required; and
 - the needs are genuinely urgent and there is no time to procure services through the normal route, or the service required is so specialist that there is only one available provider
4. In each case the Standing Orders require the Head of Service and Head of Law and Governance to agree the criteria are met. A form in the same format as that used for waiver of standing orders should be completed, signed by the above, kept by the service area and copied to Law and Governance.
5. An overarching contract (i.e. a framework agreement) or placement agreement (i.e. individual call off/order placed under the framework agreement) should still be entered into to ensure clarity of the arrangements between the two parties.

Appendix 4 Procurement Process Flowchart



The flowchart on page 30 represents a summary of Council Standing Orders with respect to Contracts.

The diagram is designed to assist officers in understanding the contract process, but is not a comprehensive model. If in doubt reference should be made to full Contract Standing Orders – or advice sort from the Strategic Procurement Service.

Appendix 5 Threshold Bands Chart

Banding Threshold	Number of tenders / quotations to be sought	Minimum number of quotations to be returned	Records required	Method of invitation	Responsible
Up to £10,000	1	1	Written Record	Written Quotation	Head of Service
£10,001 to £50,000	3 where possible including 1 local where appropriate, unless agreed in advance by	1	Written Record	Use of E Tendering System	Procurement Team

	Procurement Team				
Over £50,000	Tender exercise		Written Record	E Tendering System	Procurement Team

Where there are existing Council framework contracts mini competitions can be undertaken by the Service Areas via the e-tendering portal, following instruction and relevant training from the Procurement Team.